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**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF CALIFORNIA**

J.M., an individual,

Plaintiff

v.

CHOICE HOTELS INTERNATIONAL, INC.;  
AND RED ROOF INNS, INC.

Defendants.

Case No. 2:22-cv-00672-KJM-JDP

**FIRST AMENDED COMPLAINT**

**JURY TRIAL DEMANDED**

**FIRST AMENDED COMPLAINT**

COMES NOW the Plaintiff J.M., by and through the undersigned counsel, and respectfully submits her complaint for damages and makes the following averments against CHOICE HOTELS INTERNATIONAL, INC. and RED ROOF INNS, INC.<sup>1</sup> Plaintiff's allegations are based upon information, belief, and investigation, except as to facts which are personally known.

**INTRODUCTION**

1. For decades, sex traffickers have brazenly operated in and out of hotels throughout this country. Criminals have paraded their misconduct openly on hotel properties while the hotels and hospitality giants pay only lip service to campaigns against sex trafficking, standing by to collect profits from sex trafficking at the expense of human life, human rights, and human dignity.

2. Traffickers rely on Defendants' permissive conduct and failure to enact and enforce anti-trafficking measures, despite Defendants' vast knowledge of this criminality within their walls.

3. Defendants Choice Hotels International, Inc. ("Choice") and Red Roof Inns, Inc. ("Red Roof") (collectively, "Defendant Brands" or "The Brands"), knew and have known for decades that sex trafficking repeatedly occurs under their brand flags.

4. Rather than taking timely and effective measures to thwart this epidemic, Defendants choose to ignore the open and obvious presence of sex trafficking on their branded properties, benefitting from the profit and fees created by rooms rented for this explicit and apparent purpose.

5. Plaintiff J.M. is just one of the estimated 40 million victims of human trafficking worldwide.<sup>2</sup> The sex trafficking industry alone pulls in an estimated \$99 billion each year, making it the second largest illicit trade after the sale of all illegal drugs.<sup>3</sup> However, traffickers are not the only profiteers. The hotel industry, including Defendants, makes millions from sexual slavery as

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<sup>1</sup> Plaintiff files this amended complaint as a matter of course pursuant to Rule 15(a)(1)(B) of the Federal Rules of Civil Procedure permitting amendment within twenty-one days after service of a motion to dismiss. Plaintiff filed her original pleading on April 15, 2022 (ECF No. 1). On May 27, 2022, Defendant Choice Hotels International, Inc. filed a Rule 12(b)(6) motion to dismiss Plaintiff's complaint. (ECF No. 8). Plaintiff thus properly amends her complaint by the June 17, 2022, deadline of Rule 15(a)(1)(B) and in accordance with Local Rules 200, 220, and 230.

<sup>2</sup> INT'L LAB. ORG., PROFITS AND POVERTY: THE ECONOMICS OF FORCED LABOR 13 (2014).

<sup>3</sup> *Id.*

1 traffickers and buyer “johns” rent rooms where victims are sold and sexually exploited night after  
2 night, while Defendant Brands, property management, and staff look the other way. This mutually  
3 beneficial relationship fuels the epidemic, allowing traffickers and the hospitality industry to reap  
4 the benefits at the expense of victims’ lives.

5 6. J.M. now brings this action for damages against Defendants pursuant to the federal civil  
6 remedy under 18 U.S.C. § 1595. Each Defendant, knowingly benefitted from participation in a  
7 commercial business venture that it knew or should have known to be engaging in sex trafficking  
8 acts in violation of 18 U.S.C. § 1591(a).

9 7. Defendants’ decision to prioritize profits over protecting sex trafficking victims results in  
10 the repeated exploited of countless victims like J.M. on their brand properties. J.M.’s traffickers  
11 forced her onto Defendants’ properties where she was repeatedly raped and forced to perform  
12 commercial sex acts under threats of physical and psychological abuse. Defendant Brands’  
13 management and employees witnessed the signs of J.M.’s exploitation but failed to take any action  
14 to prevent, report, or stop it from happening at neither the time nor in the future.

15 8. The American Hotel Industry’s apathy towards human trafficking has allowed human  
16 trafficking in the United States to flourish. Defendants and other members of the hospitality industry  
17 have long been aware of the prevalence of human trafficking, particularly sex trafficking, at hotels  
18 worldwide and at their own properties. Defendants and others in the industry have access to much  
19 public information on the prevalence of human trafficking at hotels, including reports by, among  
20 others, the Polaris project created for the use of the hospitality industry.

21 9. The hospitality industry, speaking through industry organizations, has in recent years been  
22 increasingly vocal about its supposed “unified commitment” to combat human trafficking.  
23 Unfortunately, the near-total lack of concrete action by Defendants and the rest of the hospitality  
24 industry shows that the industry in fact has a “unified commitment” to quite the opposite: a continuation  
25 of business as usual, so that Defendants and all industry participants continue to profit from hotel  
26 human trafficking.

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## JURISDICTION AND VENUE

10. This Court has subject-matter jurisdiction pursuant to 28 U.S.C. § 1331 because this action arises under the laws of the United States.

11. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(3) because Plaintiff resides within this District and a significant part of the acts and omissions giving rise to the cause of action occurred in this District.

12. The Court has personal jurisdiction pursuant to the William Wilberforce Trafficking Victims Protection Reauthorization Act (“TVPRA”) 18 U.S.C. § 1595 and the Child Abuse Victims’ Rights Act 18 U.S.C. § 2255.

## PARTIES

13. **Plaintiff J.M.** is a natural person and a resident and citizen of California.

- a. Plaintiff is a “victim” survivor of trafficking pursuant to 22 U.S.C. § 7102(17) and 18 U.S.C. §§ 1591(a) and 1595(a) and a survivor of a “severe form of trafficking” as defined under 22 U.S.C. § 7102(16).
- b. Due to the sensitive and intimate nature of the issues, Plaintiff J.M. requests that this Court grant a protective order pursuant to Fed. R. Civ. P. 26(c) to permit her to proceed under a pseudonym and to ensure that Defendants maintain the confidentiality of Plaintiff’s identity throughout the pendency of this lawsuit and after.<sup>4</sup>
- c. Generally, under the Federal Rules of Civil Procedure, pleadings must state the name of all parties.<sup>5</sup> However, there are exceptions when the issues involved are of a sensitive and highly personal nature.<sup>6</sup> For good cause, the Court may issue an order

<sup>4</sup> In cases where the plaintiffs have demonstrated a need for anonymity, the district court should use its powers to manage pretrial proceedings under Fed. R. Civ. P. 16(b), and to issue protective orders limiting disclosure of the party’s name under Fed. R. Civ. P. 26(c), to preserve the party’s anonymity to the greatest extent possible without prejudicing the opposing party’s ability to litigate the case. *Does I thru XXIII v. Advanced Textile Corp.*, 214 F.3d 1058, 1069 (9th Cir. 2000).

<sup>5</sup> Fed. R. Civ. P. 10(a).

<sup>6</sup> A district court must balance the need for anonymity against the general presumption that the parties’ identities are public information and the risk of unfairness to the opposing party. *See e.g.*,

to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense.<sup>7</sup>

d. Here, granting pseudonym status and proceeding under seal is warranted because this litigation will involve the disclosure of stigmatizing sexual information, including rape. Plaintiff fears the stigma from her family, friends, employer, and community if her true identity was revealed in the public record.

e. Plaintiff should not be compelled to disclose her identity in order to maintain her privacy and safety. Plaintiff's privacy interest substantially outweighs the customary practice of judicial openness.<sup>8</sup>

f. Moreover, Defendants will not be prejudiced. Plaintiff will agree to reveal her identity to Defendants for the limited purpose of investigating Plaintiff's claims once the parties have entered into a protective order. Plaintiff simply seeks redaction of Plaintiff's personal identifying information from the public docket and assurances that Defendants will not use or publish Plaintiff's identity in a manner that will compromise her personal life or future employment prospects.

14. **Defendant Choice Hotels International, Inc. ("Choice")** is one of the largest hotel franchisors in the world and offers its brand public lodging services through its affiliates, subsidiaries, and franchisees. It is a Delaware corporation with its headquarters in Rockville, Maryland and can be served through its registered agent, United States Corporation Company, at 50 West Broad Street, Suite 1330, Columbus, Ohio 43215.

15. Choice owns, supervises, manages, controls, and/or operates the Rodeway Inn® located

*M.M. v. Zavaras*, 139 F.3d 798, 803 (10th Cir.1998); *James v. Jacobson*, 6 F.3d at 238 (4th Cir. 1993); *Doe v. Frank*, 951 F.2d 320, 323–24 (11th Cir.1992); *Doe v. Stegall*, 653 F.2d at 186 (5th Cir.); *see also Doe v. Frank* at 323 (11th Cir. 1992) (holding that a plaintiff should be permitted to proceed anonymously in cases involving matters of a highly sensitive and personal nature, real danger of physical harm, or where the injury litigated against would be incurred as a result of the disclosure of the plaintiff's identity)

<sup>7</sup> Fed. R. Civ. P. 26(c).

<sup>8</sup> *Does I thru XXIII*, 214 F.3d at 1068 (joining its 4th, 5th, 10th, and 11th sister circuits in holding that a party may preserve his or her anonymity in judicial proceedings in special circumstances when the party's need for anonymity outweighs prejudice to the opposing party and the public's interest in knowing the party's identity).

at 339 S Wilson Way, Stockton, CA 95205 (“Stockton Rodeway Inn®”) where J.M. was trafficked.

- a. Choice owns and controls the Rodeway Inn® brand, and the Stockton Rodeway Inn® is a Choice branded property.<sup>9</sup>
- b. Choice is the principal in an agency relationship with the Stockton Rodeway Inn®. It is both directly and vicariously liable for the acts and/or omissions of the staff at its brand hotels, including the Stockton Rodeway Inn® where J.M. was trafficked. The Stockton Rodeway Inn® also has apparent agency for Choice so as to establish vicarious liability, in addition to an actual agency relationship.
- c. Choice ratified the actions and inactions of the Stockton Rodeway Inn®.
- d. Choice exercises day-to-day control over the Stockton Rodeway Inn® and its other brand hotels through centralized corporate systems, training, policies, and brand standards. Choice implements and retains brand hotel control over, including control over the Stockton Rodeway Inn®, as either direct subsidiaries or under the terms of its franchise agreements.
- e. Choice controls uniform and required reservation, marketing, customer support systems and loyalty programs at its brand hotels, including the Stockton Rodeway Inn®. Choice also advertises its brand hotels through national press releases, newsletters, emails, announcements on its national website, and mentions across its corporate media channels.<sup>10</sup>
- f. Through its national sales team, Choice controls the credit processing system and centralized direct billing at its brand hotels, including the Stockton Rodeway Inn®.<sup>11</sup>
- g. As the principal and as a hotel operator, Choice controls the training, policies, and procedures for its brand hotels, including the Stockton Rodeway Inn®. Choice

<sup>9</sup> *Our Brands*, CHOICE HOTELS, <https://www.choicehotels.com/about/brands> (last visited Jun. 9, 2022).

<sup>10</sup> *Why Choice?*, CHOICE, <https://choicehotelsdevelopment.com/why-choice> (last visited Jun. 9, 2022).

<sup>11</sup> *Id.*

1 manages corporate training, policies, and procedures on human trafficking,  
2 cybersecurity, guest preferences, reward programs, internet access, hotel furniture,  
3 amenities, food and beverage, cleanliness, and/or other hotel brand related policies  
4 published and communicated via property management systems with back-end  
5 management by Choice.<sup>12</sup>

- 6 h. Choice claims to “strive to conduct [its] business operations free from violations of  
7 human rights” and offers—but does not require—training for its brand hotels.<sup>13</sup>
- 8 i. Choice controls and provides centralized technology systems for hotel operations  
9 at its brand hotels, including systems its brand hotels must use to access shared  
10 customer data and reservations information. Choice also sets and controls Wi-Fi  
11 qualifications and/or Wi-Fi qualified service providers, language and policy used  
12 on internet landing pages, thresholds for cybersecurity, filtering and/or other guest  
13 internet protections, systems used to monitor customer reviews and responses, and  
14 other systems related to the daily operations at its brand hotels, including the  
15 Stockton Rodeway Inn®.<sup>14</sup>
- 16 j. In addition, through an integrated corporate marketplace, Choice mandates the use  
17 of specific vendors and suppliers for the purchase of goods and services at its brand  
18 hotels, including the Stockton Rodeway Inn®.
- 19 k. Under the guise of maintaining its “brand standards,” Choice also forces its branded  
20 hotels to frequently undertake expensive renovations, remodeling, and construction  
21 efforts, as well as purchase mandated products with limited warranties which are  
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24 <sup>12</sup> See e.g., *id.* (“We’ve taken our teams’ collective knowledge of hotel operations, technology,  
25 service and leadership, and developed the tools and resources our owners use every day to help run  
26 their businesses.”).

27 <sup>13</sup> *Human Rights Policy*, CHOICE HOTELS, <https://www.choicehotels.com/about/responsibility/human-rights-policy> (last visited Jun. 6, 2022).

28 <sup>14</sup> *Why Choice?*, CHOICE, <https://choicehotelsdevelopment.com/why-choice> (last visited Jun. 9, 2022).

shortened by such onerous and exorbitant requirements.<sup>15</sup>

1. Choice knowingly benefited, or received something of value, from its commercial business venture at the Stockton Rodeway Inn® through royalty payments, licensing fees, and percentages of the gross room revenue generated by the hotel operations, including rates charged through rooms where J.M. was trafficked, as well as in maintaining a positive public image for the Rodeway Inn® brand.
- m. Choice is subject to the jurisdiction of this Court because it regularly conducts business in California, including through the operation of numerous hotels in California such as the Stockton Rodeway Inn®, contracting to supply services in California, and deriving substantial revenue from services rendered in California, has caused indivisible injuries to J.M. in California, and profited from a commercial business venture which unlawfully permitted criminals to sell J.M. for commercial sex at the Stockton Rodeway Inn® in California.

16. **Defendant Red Roof Inns, Inc.** (“Red Roof”) is a global hotel brand with approximately 650 branded properties worldwide. It is an Ohio corporation with its principal place of business in New Albany, Ohio and can be served through its registered agent, Corporation Service Company, at 50 W. Broad Street, Suite 1330, Columbus, OH 43215.

17. Red Roof owns, supervises, manages, controls, and/or operates the Red Roof Inn® located at 1707 W Fremont St, Stockton, CA 95203 (“Stockton Red Roof Inn®”).

- a. Red Roof owns and controls the Red Roof Inn® brand, and the Stockton Red Roof Inn® is a Red Roof brand property.<sup>16</sup>
- b. Red Roof is the principal in an agency relationship with the Stockton Red Roof Inn® Stockton.<sup>17</sup> It is both directly and vicariously liable for the acts and/or omissions

<sup>15</sup> See e.g., *Convert an Existing Hotel*, CHOICE HOTELS, <https://choicehotelsdevelopment.com/convert-a-hotel/#upscale> (last visited Jun. 9, 2022).

<sup>16</sup> *Our Brands*, RED ROOF, <https://www.redrooffranchising.com> (last visited Jun. 9, 2022); *Red Roof Inn*, <https://www.redrooffranchising.com/red-roof-inn> (last visited Jun. 9, 2022).

<sup>17</sup> See, e.g., *Revenue Management*, RED ROOF, <https://www.redrooffranchising.com/revenue-management> (last visited Jun. 9, 2022) (proclaiming “Our Team is an Extension of Yours”).



1 of the staff at its brand hotels, including the Stockton Red Roof Inn® where J.M.  
2 was trafficked. The Stockton Red Roof Inn® also has apparent agency for Red Roof  
3 so as to establish vicarious liability, in addition to an actual agency relationship.

4 c. Red Roof ratified the actions and inactions of the Stockton Red Roof Inn®.

5 d. Red Roof exercises day-to-day control over the Stockton Red Roof Inn® and its  
6 other brand hotels through centralized corporate systems, training, policies, and  
7 brand standards. Red Roof implements and retains brand hotel control, including  
8 control over the Stockton Red Roof Inn®, as either direct subsidiaries or under the  
9 terms of its franchise agreements.

10 e. Red Roof controls uniform and required reservation, marketing, customer support  
11 systems and loyalty programs at its brand hotels, including the Stockton Red Roof  
12 Inn®.<sup>18</sup> Red Roof also advertises its brand hotels through national press releases,  
13 newsletters, emails, announcements on redroof.com, and mentions across its  
14 corporate media channels.<sup>19</sup>

15 f. Through its national sales team, Red Roof controls the credit processing system and  
16 centralized direct billing at its brand hotels, including the Stockton Red Roof Inn®.<sup>20</sup>

17 g. As the principal and as a hotel operator, Red Roof controls the training, policies, and  
18 procedures for its brand hotels, including the Stockton Red Roof Inn®. Red Roof

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20 <sup>18</sup> *Brand Marketing*, RED ROOF, <https://www.redrooffranchising.com/brand-marketing> (last visited  
21 Jun. 9, 2022); *Distribution*, RED ROOF, <https://www.redrooffranchising.com/distribution> (last  
22 visited Jun. 9, 2022) (“[Red Roof’s] dedicated Red Roof reservations and customer service  
23 center...provides location-specific, dynamic availability, with automatic rate updates to all  
distribution systems including GDS, OTAs, and third party sites. [Red Roof] also offer a  
RediRewards® members-only line, to reward [its] most loyal customers.”)

24 <sup>19</sup> *Brand Marketing*, RED ROOF, <https://www.redrooffranchising.com/brand-marketing> (last visited  
25 Jun. 9, 2022) (“From your grand opening to being fully operational, our team helps you market your  
26 property every step of the way. We provide property-specific design services for print materials—  
like flyers and rack cards—and even help with billboards, transit advertising, and other local  
promotional needs.”)

27 <sup>20</sup> *Sales Team*, RED ROOF, <https://www.redrooffranchising.com/sales-team> (last visited Jun. 9,  
28 2022) (corporate Red Roof employees provide brand staff with “regional events, webinars, and in-  
person visits” alongside training, other support, and “RediBill® Brand-Wide Direct Billing”  
centralized billing program).

1 manages corporate training, policies, and procedures on human trafficking,  
2 cybersecurity, guest preferences, reward programs, internet access, hotel furniture,  
3 amenities, food and beverage, cleanliness, and/or other hotel brand related policies  
4 published and communicated via property management systems with back-end  
5 management by Red Roof.<sup>21</sup>

- 6 h. Red Roof boasts of its “Streamlined Technology” and “Shared Success” with its  
7 brand hotels. To “make operations as easy and seamless as possible,” Red Roof  
8 controls “a fully integrated database” which its brand hotels must use to access  
9 customer data and reservations, among other information shared system-wide  
10 between Red Roof and its brand hotels.<sup>22</sup> Red Roof also sets and controls Wi-Fi  
11 qualifications and/or Wi-Fi qualified service providers, language and policy used  
12 on internet landing pages, thresholds for cybersecurity, filtering and/or other guest  
13 internet protections, systems used to monitor customer reviews and responses, and  
14 other systems related to the daily operations at its brand hotels, including the  
15 Stockton Red Roof Inn®.
- 16 i. In addition, through an integrated corporate marketplace, Red Roof mandates the  
17 use of specific vendors and suppliers for the purchase of goods and services at its  
18 brand hotels, including the Stockton Red Roof Inn®.<sup>23</sup>
- 19 j. Under the guise of maintaining its “brand standards,” Red Roof forces its brand  
20 hotels to frequently undertake expensive renovations, remodeling, and construction  
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22 <sup>21</sup> See e.g., *Brand Support*, RED ROOF, <https://www.redrooffranchising.com/brand-support> (last  
23 visited Jun. 9, 2022) (“We support our franchisees with extensive on-site training. On everything  
24 from helping with pricing strategy and operational expense management, to assistance with  
25 marketing and operation programs...Our cost-effective sourcing solutions, efficient technology  
support, and incredible property management system add even more value to your Red Roof  
franchise.”)

26 <sup>22</sup> *Technology*, RED ROOF, <https://www.redrooffranchising.com/technology> (last visited Jun. 9,  
27 2022); see also *Privacy Policy*, RED ROOF, <https://www.redroof.com/privacy-policy> (last visited  
Jun. 9, 2022).

28 <sup>23</sup> See *Operational Support Procurement Services*, RED ROOF, <https://www.redrooffranchising.com/operational-support> (last visited Jun. 6, 2022).

efforts, as well as purchase mandated products with limited warranties which are shortened by such onerous and exorbitant requirements.<sup>24</sup>

k. Red Roof knowingly benefited, or received something of value, from its commercial business venture at the Stockton Red Roof Inn® through royalty payments, licensing fees, and percentages of the gross room revenue generated by the hotel operations, including rates charged through rooms where J.M. was trafficked, as well as in maintaining a positive public image for the Red Roof Inn® brand.

l. Red Roof is subject to the jurisdiction of this Court because it regularly conducts business in California, including through the operation of numerous hotels in California such as the Stockton Red Roof Inn®, contracting to supply services in California, and deriving substantial revenue from services rendered in California, has caused indivisible injuries to J.M. in California, and profited from a commercial business venture which unlawfully permitted criminals to sell J.M. for commercial sex at the Stockton Red Roof Inn® in California.

18. Whenever reference is made in this Complaint to any act, deed or conduct of the Defendants, the allegation is that the Defendants engaged in the act, deed, or conduct by or through one or more of their officers, directors, agents, employees, or representatives who was actively engaged in the management, direction, control, or transaction of the ordinary business and affairs of the Defendants.

### **FACTUAL ALLEGATIONS**

#### **A. HUMAN TRAFFICKING IS A \$150 BILLION DOLLAR BUSINESS INEXTRICABLY LINKED TO DEFENDANT BRANDS & THE HOSPITALITY INDUSTRY**

19. Defendants are complicit in the world's fastest growing crime.<sup>25</sup> The International Labor

<sup>24</sup> See *Design and Construction*, RED ROOF, <https://www.redrooffranchising.com/design-and-constuction> (last visited Jun. 9, 2022).

<sup>25</sup> *Human Trafficking is the World's Fastest Growing Crime*, THE ADVISORY BOARD (May 22, 2017, 9:30 AM), <https://www.advisory.com/daily-briefing/2017/05/22/human-trafficking>.

1 Organization (ILO) estimates there are roughly 40 million victims of human trafficking globally,  
2 with hundreds of thousands in the United States.<sup>26</sup> Put into perspective, this means there are 5.4  
3 victims of human trafficking for every 1,000 people in the world.<sup>27</sup> Additionally, one in four  
4 human trafficking survivors are children.<sup>28</sup>

5 20. The worldwide estimated total of illegal profits obtained from the use of forced labor  
6 human trafficking is \$150.2 billion per year.<sup>29</sup>

7 21. Two-thirds of these profits are generated by forced sexual exploitation. The sex  
8 trafficking industry alone is therefore the second largest illicit crime industry behind only the sale  
9 of *all* illegal drugs.<sup>30</sup>

10 22. Indeed, sex trafficking victims comprise only 22% of the world's total forced labor but  
11 are "six times more profitable than all other forms of forced labor, and five times more profitable  
12 than forced labor exploitation outside domestic work."<sup>31</sup>

13 23. Statistics released in 2014 showed approximately 4.5 million people were victims of  
14 forced sexual exploitation globally and each trafficker earned approximately \$22,000 per victim.<sup>32</sup>  
15 In developed nations like the United States, the average annual profit per sex trafficking victim is  
16 \$80,000.<sup>33</sup>

17 24. Sex traffickers, or "pimps," use threats, violence, manipulation, lies, debt bondage, and  
18 other forms of coercion to compel adults and children to engage in commercial sex acts against  
19 their will. Coercion can take on many different forms ranging from extreme physical violence to  
20 withholding food and necessities to emotional abuse. And while the media and police often report  
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22 <sup>26</sup> INT'L LAB. ORG. & WALK FREE FOUNDATION, GLOBAL ESTIMATES OF MODERN SLAVERY (2017).

23 <sup>27</sup> *Id.*

24 <sup>28</sup> *Id.*

25 <sup>29</sup> INT'L LAB. ORG., PROFITS AND POVERTY: THE ECONOMICS OF FORCED LABOR 13 (2014).

26 <sup>30</sup> *Id.*

27 <sup>31</sup> *Id.* at 7, 15.

28 <sup>32</sup> *Id.* at 13, 15.

<sup>33</sup> *Id.* at 27.

1 sex trafficking as “prostitution,” in reality, up to 90% of commercial sex activity is coerced sexual  
2 exploitation and slavery.<sup>34</sup>

3 25. Yet, criminal sex traffickers could not succeed in this hugely profitable industry alone.  
4 Experts agree that human trafficking is increasingly less underground, and traffickers routinely  
5 interact and utilize commercial businesses for their criminal endeavors. “[T]raffickers use banks  
6 to deposit and launder their earnings; they use planes, buses and taxi services to transport their  
7 victims; they book hotel rooms integral also to sex trafficking; and, they are active users of social  
8 media platforms to recruit and advertise the services of their victims.”<sup>35</sup> The private sector’s  
9 involvement in the sex trafficking trade is undeniable, and companies have a responsibility to  
10 address their role in it with active and effective measures.<sup>36</sup>

11 26. In particular, the hospitality industry and Defendant Brands’ hotels are at the center of  
12 the sex trafficking trade. Countless research, news, and nonprofits have confirmed the “obvious  
13 nexus” between human trafficking and hotels’ crucial role as the venue for selling commercial  
14 sex.<sup>37</sup>

15 27. An overwhelming majority of commercial sex trafficking transactions occur within the  
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17 <sup>34</sup> See Trafficking in Persons (TIP) Report, U.S. DEP’T OF STATE 372 (2011),  
18 <http://www.state.gov/documents/organization/164458.pdf>; Mark Grough & Toby Goldbach,  
19 *Relationship between Pimps and Prostitutes*, CORNELL UNIVERSITY LAW SCHOOL,  
20 [https://courses2.cit.cornell.edu/sociallaw/student\\_projects/PimpsandProstitutes.htm#:~:text=Pimp%2Dcontrolled%20prostitution%20is%20ubiquitous,over%20time%2C%20and%20a%20US](https://courses2.cit.cornell.edu/sociallaw/student_projects/PimpsandProstitutes.htm#:~:text=Pimp%2Dcontrolled%20prostitution%20is%20ubiquitous,over%20time%2C%20and%20a%20US).

21 <sup>35</sup> Carmen Niethammer, *Cracking The \$150 Billion Business Of Human Trafficking*, FORBES  
(Feb. 2, 2020), [https://www.forbes.com/sites/carmenniethammer/2020/02/02/cracking-the-150-](https://www.forbes.com/sites/carmenniethammer/2020/02/02/cracking-the-150-billion-business-of-human-trafficking/)  
22 [billion-business-of-human-trafficking/](https://www.forbes.com/sites/carmenniethammer/2020/02/02/cracking-the-150-billion-business-of-human-trafficking/).

23 <sup>36</sup> *Id.* (quoting Bradley Myles, chief executive officer of Polaris: “Human trafficking is a \$150 billion  
a year global industry and can’t be fully addressed without businesses taking active and effective  
24 measures to reduce the potential for exploitation within their own systems.”).

25 <sup>37</sup> Brittany Anthony, *On-Ramps, Intersections, and Exit Routes: A Roadmap for Systems and*  
*Industries to Prevent and Disrupt Human Trafficking*, Hotels and Motels, POLARIS 16-23 (Jul. 2018)  
26 [https://polarisproject.org/wp-content/uploads/2018/08/A-Roadmap-for-Systems-and-Industries-to-](https://polarisproject.org/wp-content/uploads/2018/08/A-Roadmap-for-Systems-and-Industries-to-Prevent-and-Disrupt-Human-Trafficking-Hotels-and-Motels.pdf)  
[Prevent-and-Disrupt-Human-Trafficking-Hotels-and-Motels.pdf](https://polarisproject.org/wp-content/uploads/2018/08/A-Roadmap-for-Systems-and-Industries-to-Prevent-and-Disrupt-Human-Trafficking-Hotels-and-Motels.pdf); see also *Hotels & Motels*  
27 *Recommendations*, POLARIS <https://polarisproject.org/hotels-motels-recommendations>; Giovanna  
L. C. Cavagnaro, *Sex Trafficking: The Hospitality Industry’s Role and Responsibility*, CORNELL  
28 UNIVERSITY SCHOOL OF HOTEL ADMINISTRATION (2017), <http://scholarship.sha.cornell.edu/honorstheses/3>.

1 hospitality industry as traffickers use hotels as the hub of their operations.<sup>38</sup> Inside, the victims are  
2 harbored, raped, assaulted, and forced to service buyers who come to the hotel solely to purchase  
3 sex.

4 28. The trope of the “no-tell motel” is certainly not a new one. However, the problem is  
5 industry wide and not confined to only low budget public lodging. In the United States, as much  
6 as 63% of all trafficking incidents happen in hotels ranging from luxury to economy.<sup>39</sup>

7 29. Statistics confirm how deeply entwined the hospitality industry is with human trafficking.  
8 Hotels are the top-reported venue where sex trafficking acts occur, even over commercial front  
9 brothels.<sup>40</sup>

10 30. A recent survey of survivors who called the National Human Trafficking Hotline found  
11 60% had been forced to engage in commercial sex within the confines of a hotel or motel during  
12 their trafficking, and 75% had stayed in a hotel or motel during travel or otherwise directly  
13 encountered a hotel or motel at some point during their trafficking.<sup>41</sup> Indeed, even attorneys for  
14 the hospitality industry acknowledge that eight out of ten trafficking arrests occur in or around  
15 hotels.<sup>42</sup>

16 31. It is no accident that hotels are the top choice of venue for traffickers over commercial  
17 front brothels.<sup>43</sup> Hotels have long profited from their reputations as havens of privacy and  
18

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19 <sup>38</sup> Bradley Myles, *Combating Human Trafficking in the Hotel Industry*, HUFFINGTON POST (Jul. 22,  
20 2015), [https://www.huffpost.com/entry/combating-human-trafficking-in-the-hotel-industry\\_b\\_7840754](https://www.huffpost.com/entry/combating-human-trafficking-in-the-hotel-industry_b_7840754).

21 <sup>39</sup> Michele Sarkisian, *Adopting the Code: Human Trafficking and the Hospitality Industry*, CORNELL  
22 HOSPITALITY REPORT, 15(15), 3-10 (2015).

23 <sup>40</sup> *National Human Trafficking Hotline Statistics*, THE POLARIS PROJECT (2016),  
<https://polarisproject.org/resources/2016-hotline-statistics>.

24 <sup>41</sup> *On-Ramps, Intersections, and Exit Routes*, POLARIS (2018), <https://polarisproject.org/wp-content/uploads/2018/08/A-Roadmap-for-Systems-and-Industries-to-Prevent-and-Disrupt-Human-Trafficking-Hotels-and-Motels.pdf>.

25 <sup>42</sup> Rich Keating, *Human Trafficking: What It Is and How It Impacts The Hospitality Industry*,  
26 Presentation. Delivered At AHIA Sprint Conference 2013, Washington, D.C., available at  
27 [http://www.ahiatlaw.org/ahia/asset\\_manager/get\\_file/92983](http://www.ahiatlaw.org/ahia/asset_manager/get_file/92983).

28 <sup>43</sup> *National Human Trafficking Hotline Statistics*, THE POLARIS PROJECT (2016),  
<https://polarisproject.org/resources/2016-hotline-statistics>.

1 discretion for the offending. Hotels offer anonymity and non-traceability, making them ideal  
2 venues for crime and, in particular, sex trafficking. In addition, “buyers” purchasing people for  
3 sex, typically choose to engage in trafficking away from their home, naturally leading to the  
4 increased involvement of hotels.

5 32. “Contrary to popular misconception, trafficking does not only take place in cheap hotels  
6 or motels with sub-par accommodations.”<sup>44</sup> Rather, traffickers select hotel businesses based on a  
7 variety of factors, including “convenient locations, buyer comfort, price, a hotel’s policies,  
8 procedures,...infrastructure,” and “whether the hotel is prone to law enforcement monitoring...[or  
9 is] “perceived by traffickers to have distracted and busy staff.”<sup>45</sup>

10 33. Due to the overall complacency of Defendants and similar brands on addressing this  
11 issue, their brand hotels are often *the* venue of choice for sex trafficking. Traffickers and buyers  
12 both rely and capitalize on The Brands’ general refusal to adopt and enforce company-wide anti-  
13 trafficking policies, train staff on what to look for and how to respond, and/or establish safe and  
14 secure reporting mechanisms for those at the point of sale. The Brands and their hotels thus provide  
15 an ease of access for buyers, an ability to pay in cash (non-traceability), and the ability to maintain  
16 anonymity, privacy, discretion, and permission which increases the prevalence of sex trafficking  
17 at their branded hotels.<sup>46</sup>

18 34. The Brands have both the power and responsibility to make sex trafficking difficult for  
19 criminals. Yet, they repeatedly fail to heed the call, execute anti-trafficking measures, or enforce  
20 their own policies. Instead, each continues to facilitate these crimes at their branded hotels, content  
21 to direct their efforts solely to profit and the bottom line.

22 35. While 75% of trafficking survivors report coming into contact with a hotel at some point  
23 during their exploitation, 94% percent disclosed they never received any assistance, concern, or  
24  
25  
26

27 <sup>44</sup> Anthony, *supra* note 37 at 18.

28 <sup>45</sup> *Id.*

<sup>46</sup> *Id.*

1 identification from hotel staff.<sup>47</sup>

2 36. Every day, thousands of brand hotel employees are firsthand witnesses to the red flag  
3 signs of human trafficking, and are well positioned to intervene and prevent future exploitation  
4 within the brand hotel.

5 37. Put simply, hotels are a “crucial piece of the infrastructure necessary to facilitate human  
6 trafficking” because “hotel chain franchises...offer a good balance of quality and price while  
7 giving buyers a sense of anonymity and safety.”<sup>48</sup>

8 38. Due to the Brands’ individual and collective failure to embrace anti-trafficking policies,  
9 practices, and training, children and other vulnerable persons are trafficked for sex in hotels  
10 throughout the United States and worldwide.

11 39. Defendant Brands have not only a morale, but a legal, responsibility to those who enter  
12 their properties and are accountable for playing a primary role in encouraging and permitting sexual  
13 servitude to endure into modern day.

14 **B. DEFENDANTS’ KNOWLEDGE OF THEIR ROLE IN THE SEX TRAFFICKING**  
15 **TRADE & REFUSAL TO IMPLEMENT AVAILABLE RESOURCES TO COMBAT IT**

16 **1. National and International Efforts to Combat Sex Trafficking are Ineffective without**  
17 **Earnest Involvement by the Brands.**

18  
19 40. Defendants are aware that the hospitality industry is a major life source of the human  
20 trafficking epidemic both in the U.S. and abroad.<sup>49</sup> The United Nations,<sup>50</sup> international non-

21  
22 <sup>47</sup> *Hotels & Motels Recommendations*, POLARIS <https://polarisproject.org/hotels-motels-recommendations>.

23 <sup>48</sup> *Id.*

24 <sup>49</sup> Giovanna L. C. Cavagnaro, *Sex Trafficking: The Hospitality Industry’s Role and Responsibility*,  
25 CORNELL UNIVERSITY SCHOOL OF HOTEL ADMINISTRATION (2017),  
<http://scholarship.sha.cornell.edu/honorstheses/3>.

26 <sup>50</sup> *Global Report on Trafficking in Persons*, UNITED NATIONS OFFICE ON DRUGS AND CRIME (2020),  
27 848 [https://www.unodc.org/documents/data-and-analysis/tip/2021/GLOTiP\\_2020\\_15jan\\_web.pdf](https://www.unodc.org/documents/data-and-analysis/tip/2021/GLOTiP_2020_15jan_web.pdf);  
28 *see also We must act together to fight exploitation and human trafficking in tourism, say United Nations and international partners*, UNITED NATIONS OFFICE ON DRUGS AND CRIME (Apr. 24, 2012),



1 profits,<sup>51</sup> and the U.S. Department of Homeland Security,<sup>52</sup> have all documented this well-known  
2 epidemic of human trafficking for years, and brought particular attention to the indispensable role  
3 of hotels. Defendants have known for decades about the public outcry against human trafficking  
4 in hotels and the particular uproar surrounding the involvement of their industry.

5 41. Nationwide campaigns recognized the issue of human trafficking in the hotel industry  
6 and the lack of internal policies to address the issue, and took initiative as early as 1997 with the  
7 United Nations Blue Heart Campaign and domestically in 2010 with the Department of Homeland  
8 Security's Blue Campaign.<sup>53</sup> These efforts sought to educate both the public and private sectors  
9 on identifying and combatting human trafficking, including the hospitality industry and both  
10 campaigns released online resources and toolkits publicly accessible to any entity concerned with  
11 human trafficking.<sup>54</sup>

12 42. The General Assembly of the United Nations convening in New York, New York in  
13 November 2000 adopted the Palermo Protocol to prevent, suppress, and punish trafficking in  
14 persons.<sup>55</sup> In this regard, End Child Prostitution and Trafficking ("ECPAT-USA") launched the  
15 Tourism Child-Protection Code of Conduct (the "Code") in the United States in 2004.<sup>56</sup>

16  
17 [https://www.unodc.org/unodc/en/press/releases/2012/April/we-must-act-together-to-fight-](https://www.unodc.org/unodc/en/press/releases/2012/April/we-must-act-together-to-fight-exploitation-and-human-trafficking-in-tourism-say-united-nations-and-international-partners.html)  
18 [exploitation-and-human-trafficking-in-tourism-say-united-nations-and-international-partners.html](https://www.unodc.org/unodc/en/press/releases/2012/April/we-must-act-together-to-fight-exploitation-and-human-trafficking-in-tourism-say-united-nations-and-international-partners.html).

19 <sup>51</sup> The Polaris Project and ECPAT-International have published extensive reports and professional  
20 toolkits on human trafficking in the hospitality industry for years.

21 <sup>52</sup> Human Trafficking and the Hospitality Industry, U.S. DEP'T OF HOMELAND SECURITY (2020),  
22 <https://www.dhs.gov/blue-campaign/hospitalityindustry>; Hospitality Toolkit, U.S. DEPARTMENT OF  
23 HOMELAND SECURITY (2016), [https://www.dhs.gov/sites/default/files/](https://www.dhs.gov/sites/default/files/publications/blue-campaign/toolkits/hospitality-toolkit-eng.pdf)  
24 [publications/blue-campaign/toolkits/hospitality-toolkit-eng.pdf](https://www.dhs.gov/sites/default/files/publications/blue-campaign/toolkits/hospitality-toolkit-eng.pdf).

25 <sup>53</sup> *DHS Blue Campaign Five Year Milestone*, DEP'T OF HOMELAND SECURITY (Jul. 22, 2015),  
26 <https://www.dhs.gov/blog/2015/07/22/dhs-blue-campaign-five-year-milestone>.

27 <sup>54</sup> *Human Trafficking and the Hospitality Industry*, DEP'T OF HOMELAND SECURITY,  
28 <https://www.dhs.gov/blue-campaign/hospitalityindustry> (last visited Jun. 19, 2019).

<sup>55</sup> Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and  
Children, supplementing the United Nations Convention against Transnational Organized Crime,  
*adopted* Nov. 15, 2000, 2237 U.N.T.S. 319.

<sup>56</sup> ECPAT-USA, *No Vacancy For Child Sex Traffickers Impact Report* (2017),  
[https://static1.squarespace.com/static/594970e91b631b3571be12e2/t/59c9b6bfb07869cc5d792b](https://static1.squarespace.com/static/594970e91b631b3571be12e2/t/59c9b6bfb07869cc5d792b8c/1506391761747/NoVacany_Report.pdf)  
8c/1506391761747/NoVacany\_Report.pdf.

43. The U.S. Department of State launched the Blue Campaign in 2010, as a national public awareness campaign designed to educate the public, law enforcement, and other industry partners to recognize the indicators of human trafficking.<sup>57</sup> Since then, the U.S government has released its Trafficking in Persons Report each year, which gathers statistics on the prevalence of trafficking, including the hospitality industry.<sup>58</sup> In addition, the President’s Interagency Task force to Monitor and Combat Trafficking in Persons (PITF) coordinated between twenty federal agencies to implement the U.S. National Action Plan to Combat Trafficking.<sup>59</sup>

44. During a speech in New York City in September 2012, President Obama stated that human trafficking “ought to concern every person, because it is a debasement of our common humanity. It ought to concern every community because it tears at our social fabric. It ought to concern every business because it distorts markets. It ought to concern every nation, because it endangers public health and fuels violence and organized crime.”<sup>60</sup>

45. In December 2015, President Obama appointed eleven (11) survivors of human trafficking to the inaugural United States Advisory Council on Human Trafficking to advise and make recommendations on federal anti-trafficking policies to the President’s Interagency Task Force to Monitor and Combat Trafficking in Persons.<sup>61</sup>

46. The United States Department of Justice (“DOJ”) brought 248 sex trafficking prosecutions in Fiscal Year 2015 and secured convictions against 291 sex traffickers.<sup>62</sup> In the

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<sup>57</sup> *About the Blue Campaign*, DEP’T OF HOMELAND SECURITY, <https://www.dhs.gov/blue-campaign/about-blue-campaign>.

<sup>58</sup> *See 2021 Trafficking in Persons Report* (2021), <https://www.state.gov/reports/2021-trafficking-in-persons-report/>.

<sup>59</sup> *See* Ned Price, *Release of the National Action Plan to Combat Human Trafficking*, US DEP’T OF STATE (2021), <https://www.state.gov/release-of-the-national-action-plan-to-combat-human-trafficking/>.

<sup>60</sup> President Barack Obama, Remarks to the Clinton Global Initiative (Sept. 25, 2012), <https://obamawhitehouse.archives.gov/the-press-office/2012/09/25/remarks-president-clinton-global-initiative>.

<sup>61</sup> U.S. DEP’T OF STATE, 2016 TRAFFICKING IN PERSONS REPORT 41 (2016), <https://www.state.gov/documents/organization/258876.pdf>.

<sup>62</sup> *Id.* at 389.

1 previous year, DOJ convicted a total of 184 human traffickers (inclusive of labor trafficking) and  
2 in the subsequent year, DOJ convicted a total of 439 human traffickers (inclusive of labor  
3 trafficking).<sup>63</sup>

4 47. Despite these efforts of governmental and non-governmental organizations to combat  
5 human trafficking, the hospitality industry as a whole, continued to lag behind in its efforts to  
6 prevent human trafficking. Fifteen years after the adoption of the Palermo Protocol, one study  
7 found 45% of children who suffered sexual exploitation reported that their sexual exploitation took  
8 place in a hotel.<sup>64</sup>

9 48. The complicity of the hospitality industry is essential to the perpetuation of human  
10 trafficking, allowing traffickers to remain transient, collect profits, and evade detection. Sex  
11 trafficking ventures move from place to place so that they are less visible to law enforcement.  
12 Similarly, sex traffickers also want to keep their victims moving from place to place to isolate them  
13 from any possible means of escape or rescue. Traffickers are well aware of the seclusion and  
14 anonymity attendant with booking rooms with hotel chains – they know it is unlikely that they will  
15 be disturbed.

16 49. Recognizing action by the hospitality industry is thus the key to both combatting—or  
17 continuing—human sex trafficking, Representative Ann Wagner made the following statement:  
18 “Partnership between public and private sectors is the key to combating human trafficking. Many  
19 times, frontline employees in the transportation and hospitality industry are the ones best suited to  
20 identify trafficking victims or their predators. Increased awareness and training will lead to more  
21 victims being identified, which is the critical step in breaking the cycle of exploitation and  
22 victimization.”<sup>65</sup>

23 ///

24 ///

26 <sup>63</sup> Human Rights First, *Fact Sheet 2017* (2017), <http://www.humanrightsfirst.org/sites/default/files/TraffickingbytheNumbers.pdf>.

27 <sup>64</sup> Sarkisian, *supra* note 23.

28 <sup>65</sup> 161 Cong. Rec. H3266-01, H3280

1       **2. Defendant Brands Ignore Red Flag Resources and Refuse to Implement Sex**  
2       **Trafficking Staff Training.**

3       50. Defendants have long been on notice of repeated incidences of sex trafficking occurring  
4 at their brand hotel locations thanks, in part, to the copious publicly available evidence regarding  
5 the high prevalence of sex trafficking at hotels. The United Nations, the US Government, and  
6 international nonprofits like ECPAT-USA and the Polaris Project, have documented the warning  
7 signs of human trafficking, as well as recommended policies, procedures, and training to prevent  
8 exploitation within the hospitality industry.

9       51. The key indicators of sex trafficking at hotels have been known for years despite  
10 Defendants' failure to implement anti-trafficking measures.

11       52. To assist Defendants in combatting sex trafficking within their companies, in 1996,  
12 ECPAT developed and launched The Code of Conduct for the Protection of Children from Sexual  
13 Exploitation in Travel and Tourism ("The Code") and ECPAT-USA in the United States in 2004.<sup>66</sup>

14       53. The Code identifies the following steps companies should take to prevent child sex  
15 trafficking: (1) establish corporate policy and procedures against sexual exploitation of children;  
16 (2) train employees in children's rights, the prevention of sexual exploitation and how to report  
17 suspected cases; (3) include a clause in further partner contracts stating a common repudiation and  
18 zero tolerance policy of sexual exploitation of children; (4) provide information to travelers on  
19 children's rights, the prevention of sexual exploitation of children and how to report suspected  
20 cases; (5) support, collaborate and engage stakeholders in the prevention of sexual exploitation of  
21 children; and (6) report annually on the company's implementation of Code-related activities.<sup>67</sup>

22       54. ECPAT-USA further identified hotel-specific best practices for preventing sex  
23 trafficking, including but not limited to:

24             a. Develop a formal policy against trafficking;

25 \_\_\_\_\_  
26 <sup>66</sup> *What is the Code?*, THE CODE.ORG, <https://thecode.org/about/> (last visited Apr. 1, 2022); *see also*  
27 ECPAT-USA, *No Vacancy For Child Sex Traffickers Impact Report* (2017),  
28 [https://static1.squarespace.com/static/594970e91b631b3571be12e2/t/59c9b6bfb07869cc5d792b8c/1506391761747/NoVacany\\_Report.pdf](https://static1.squarespace.com/static/594970e91b631b3571be12e2/t/59c9b6bfb07869cc5d792b8c/1506391761747/NoVacany_Report.pdf).

<sup>67</sup> *Id.*

- b. Develop a protocol for response;
- c. Conduct periodic training on indicators;
- d. Do not rent by the hour;
- e. Do not permit cash payments;
- f. Block “internet access to popular websites for online sex ads”;
- g. Monitor “online sex ads such as Craigslist and Backpage for your hotel name and pictures of your rooms and guests”;
- h. Change wi-fi passwords in rooms and cafes regularly;
- i. Require all visitors to be logged, including guest name, visitor name, arrival time, departure time, and room number;
- j. Actively greet and speak with all visitors arriving at night;
- k. Watch for a trend of visitors to the same room; and
- l. Be aware of rooms with excess condoms, lubricants, and towels and report these indicators to management.<sup>68</sup>

55. The U.S. Department of State also lists the following “red flags” of human trafficking, including: signs of malnourishment, poor hygiene, fatigue, sleep deprivation; individuals lacking freedom of movement or being constantly monitored; significant foot traffic in and out of the room; men traveling with woman who appear significantly younger; woman dressed inappropriately for their age; extended stays with few or no personal possessions; rooms rented hourly; the same person reserving multiple rooms; and excessive amounts of sex paraphernalia (condoms, lubricants, etc.).<sup>69</sup>

56. Although both Defendants are signatories to the Code<sup>70</sup> and thereby promised to adopt these policies to combat sex trafficking within their brand hotels, Defendants have repeatedly failed

<sup>68</sup> ECPAT-USA Anti-Trafficking Hotel Checklist, [https://static1.squarespace.com/static/594970e91b631b3571be12e2/t/5cd329e8a4222f20baf5378b/1557342696892/ECPAT-USA\\_Anti\\_TraffickingHotelChecklist.pdf](https://static1.squarespace.com/static/594970e91b631b3571be12e2/t/5cd329e8a4222f20baf5378b/1557342696892/ECPAT-USA_Anti_TraffickingHotelChecklist.pdf) (last visited Aug. 19, 2021).

<sup>69</sup> U.S. Dep’t of Homeland Security, *Human Trafficking and the Hotel Industry*, <https://www.dhs.gov/blue-campaign/hospitalityindustry> (last visited Feb. 25, 2019).

<sup>70</sup> *See Our Code Members*, ECPAT, <https://www.ecpatusa.org/code-members>

1 to implement or train their staff on these anti-trafficking measures.

2 57. Defendant Choice is a face and signatory to the ECPAT anti-trafficking knowledge,  
3 guidance, and information necessary to prevent human trafficking, and Choice publicly committed  
4 to participate in the programs shown to assist in identifying and preventing sex trafficking inside  
5 its brand hotels.

6 58. Defendant Red Roof is a face and signatory to the ECPAT anti-trafficking knowledge,  
7 guidance, and information necessary to prevent human trafficking, and Red Roof publicly  
8 committed to participate in the programs shown to assist in identifying and preventing sex  
9 trafficking inside its brand hotels.

10 59. Defendant Choice publicly committed to educating their brand hotels on human  
11 trafficking and should not only have created effective Brand standards for implementation,  
12 mandates, and operations, but enforced them.

13 60. Defendant Red Roof publicly committed to educating their brand hotels on human  
14 trafficking and should not only have created effective Brand standards for implementation,  
15 mandates, and operations, but enforced them.

16 61. Yet each Defendant individually failed and continues to fail to do so.

17 62. In contradiction to the Code, each Defendant freely allows unregistered guests to enter  
18 their brand hotels and ignore red flag signs of sex trafficking.

19 63. Similarly, Defendants knew or should have known that traffickers inviting multiple  
20 buyers per day to trample through the brand hotels were likely to request specific hotel room  
21 accommodations such as rooms near external doors, rooms overlooking the parking lot, or rooms  
22 further from view of the front desk.<sup>71</sup>

23 64. In addition, every day, thousands of brand hotel employees witness manifestations of sex  
24

25 <sup>71</sup> See, e.g. Anthony, *supra* note 22 at 20 (“request[ing] room overlooking parking lot or not within  
26 view of front desk” is “[t]rafficking indicator” in hotels and motels); The BEST (Business Ending  
27 Slavery and Trafficking) Trafficking Indicators for Lodging Establishments lists: “A person  
28 reserving a room and requesting a suspicious location (next to an exit, on the hall alone, etc.)” as a  
potential indicator of sex trafficking in lodging establishments.  
[http://www.bestalliance.org/uploads/5/0/0/4/50047795/indicators\\_-\\_labor\\_and\\_sex.4.nn.pdf](http://www.bestalliance.org/uploads/5/0/0/4/50047795/indicators_-_labor_and_sex.4.nn.pdf) (last  
visited June 2, 2020).

1 trafficking and commercial exploitation. Despite the Brands' greatest reach to prevent, identify,  
2 and thwart this crime where it is most likely to occur at their properties, the Brands refuse to take  
3 meaningful action to train their employees.<sup>72</sup>

4 65. Training hotel staff to identify the signs of sex trafficking and sexual exploitation is a  
5 critical and obvious legal obligation for the hospitality industry. The presence of sex trafficking  
6 and sexual exploitation in a hotel is a frequent and obvious occurrence and, although unutilized,  
7 underutilized, or ineffectively utilized, numerous well-researched trainings and toolkits have been  
8 published and provided to the Brands over the past decades as resources for training their brand  
9 hotel staff in every position to identify signs of sex trafficking.<sup>73</sup>

10 66. From check-in to check-out, there are a number of indicators that traffickers and their  
11 victims exhibit during their stay at a hotel. With proper training and the implementation of  
12 reasonable security measures, the Brands could prevent regular sex trafficking within their walls.

13 67. The global prevalence of sex trafficking is a direct result of under-attentive, untrained, or  
14 unenforced practices by hotel operators failing to address sex trafficking red flags including but  
15 not limited to: paying with cash, an excess of condoms and other indicia of sex in hotel rooms,  
16 individuals carrying or flashing large amounts of cash, excessive cash stored in the room, renting  
17 two rooms next door to each other or requesting rooms in more discrete areas of the hotel or near  
18 side and back door entrances, declining in-room service for several consecutive days, ordering  
19 additional towels and sheets at varying times, significant foot traffic in and out of room(s), men  
20 traveling with multiple women who appear unrelated, or men who rent rooms for someone else,  
21 women known to be staying in rooms without leaving, women displaying physical injuries or signs  
22 of fear and anxiety, individuals checking in or arriving with little or no luggage, individuals who  
23 prevent someone else from speaking for themselves, or individuals controlling another's

24  
25  
26 <sup>72</sup> *Combating Human Trafficking in the Hotel Industry*, HUFFPOST (Jul. 22, 2015),  
[https://www.huffpost.com/entry/combating-human-trafficking-in-the-hotel-industry\\_b\\_7840754](https://www.huffpost.com/entry/combating-human-trafficking-in-the-hotel-industry_b_7840754).

27 <sup>73</sup> Department of Homeland Security, *Hospitality Toolkit*, BLUE CAMPAIGN,  
28 <https://www.dhs.gov/sites/default/files/publications/blue-campaign/toolkits/hospitality-toolkit-eng.pdf> (last visited Aug. 19, 2021).

1 identification documents.<sup>74</sup>

2 68. Mandatory training on these red flags is a necessary step in combatting sex trafficking at  
3 hotels. Hotel staff who have undergone training are more aware of sex trafficking when it happens  
4 and are more willing to report it than hotel staff who have not been trained.<sup>75</sup>

5 69. The Brands can and must mandate that *all* staff working at *all* of their branded hotels  
6 complete sex trafficking training.<sup>76</sup>

7 70. The Brands are obligated to effectively train their staff, adopt anti-trafficking policies and  
8 procedures, and enforce these measures as Brand standard in their branded hotels.

9 71. Further in contradiction to The Code, each Brand requires their brand hotels to offer free  
10 internet service by Brand approved internet providers who are sufficiently knowledgeable to  
11 provide cybersecurity and prevent illegal activity from occurring at the branded hotels, but Brands  
12 refuse to do so.

13 72. The Brands provide their brand hotels with internet access and data to help enhance  
14 customer service or otherwise permit the Brand to exploit data by other means.

15 73. Internet access at their brand hotels is through two means. First, the Brands provide  
16 internet access to guests through wireless internet accessible in their branded hotel rooms. Second,  
17 the Brands provide internet access through publicly accessible wireless networks available in the  
18 lobby and other common areas of their brand hotels.

19 74. The Brands collect data on internet usage through the wireless internet services they  
20 provide, including:

- 21 a. The IP address, and other identifying information, for all devices that access the  
22 internet through the Brands' wireless networks;

23  
24 <sup>74</sup> *Id.*; see also Shea M. Rhodes, *Sex Trafficking and the Hotel Industry: Criminal and Civil Liability  
25 for Hotels and their Employees*, The Institute to Address Criminal Sexual Exploitation, VILLANOVA  
26 UNIVERSITY SCHOOL OF LAW (2015), [https://cseinstitute.org/wp-](https://cseinstitute.org/wp-content/uploads/2015/06/Hotel_Policy_Paper-1.pdf)  
27 content/uploads/2015/06/Hotel\_Policy\_Paper-1.pdf.

28 <sup>75</sup> Giavanna L. C. Cavagnaro, *Sex Trafficking: The Hospitality Industry's Role and Responsibility*,  
29 CORNELL UNIVERSITY, SCHOOL OF HOTEL ADMINISTRATION (2017),  
30 <http://scholarship.sha.cornell.edu/honorstheses/3>.

<sup>76</sup> Rhodes, *supra* note 74.



- 1           b. The identity of websites accessed by those devices, through the IP addresses of the  
2           servers that host those websites; and
- 3           c. Information about the user accessing the internet including through the Brands’  
4           wireless networks, including the users’ room number, a user-provided name, and  
5           other identifying information.

6           75. The Brands’ internet access policies each purportedly prohibit the use of the internet  
7 access that they provide for unlawful purposes. However, in violation of their federal statutory  
8 obligations, the Brands fail to monitor internet use at their brand hotels and identify signs and  
9 perpetrators of commercial sex trafficking operating within their walls.

10          76. The Brands knew or should have known of the prevalent use of websites like  
11 Backpage.com, Craigslist.com, and other similar websites by traffickers to post advertisements for  
12 sex from within their brand hotels.

13          77. Despite such knowledge, the Brands made no effort to flag or block the use of such  
14 websites by traffickers and instead, sat willfully blind to the use of their wireless networks  
15 furthering sex trafficking within their brand hotels, including the hotels where J.M. was trafficked.

16          78. The Brands facilitated and encouraged sex trafficking at their brand hotels by allowing  
17 traffickers to post unlawful advertisements through the Brands’ own wireless networks in violation  
18 of the Brands’ purported own policies on the use of those networks.

19          **3. Defendants Prioritize Profits and Coordinate to Preserve their Public Image.**

20          79. For years, Defendants have made flagrant business decisions to contravene and reject  
21 universal guidance on effective anti-trafficking measures at their brand hotels.

22          80. The hospitality industry is controlled by a small number of powerful corporations (“Hotel  
23 Industry Leaders”) with a handful of companies owning well over 90% of global hotel and motel  
24 properties. Indeed, human trafficking in hotels is a top-down problem in the hospitality industry,  
25 and Hotel Industry Leaders like the Defendants are in the best position to, and have a duty and  
26 responsibility, to set policies and procedures to combat human trafficking and comply with the  
27 TVPRA to protect survivors like J.M.

28          81. But rather than implement responsible and effective anti-trafficking measures and

1 training, Defendants collaborated to hire media professionals to make public claims to their  
2 investors and customers to “address” the longstanding problem of human trafficking at their hotels.

3 Some examples include:

- 4 a. In a press release, Red Roof’s president George Limbert stated: “We encourage all  
5 our partners and peers in travel and hospitality to join us and stand by ECPAT-USA  
6 in the fight against human trafficking.”<sup>77</sup>
- 7 b. Choice similarly promotes its ECPAT-USA membership proudly on its website and  
8 promises to take a stand against human trafficking at its brand hotels.<sup>78</sup>
- 9 c. Choice made resources from the Blue Campaign available to its corporate and brand  
10 hotel staff;<sup>79</sup> however, these materials are not part of any mandatory training.
- 11 d. Choice formed a partnership with the Polaris Project where Choice fundraises for  
12 Polaris through its Choice Privileges rewards program.<sup>80</sup>
- 13 e. Defendants committed to the American Hotel & Lodging Association’s (AHLA) 5-  
14 Star Promise of Safety and promised to strengthen safety and security policies,  
15 including those related to human trafficking.<sup>81</sup>

16 82. The Brands agree human trafficking is a problem globally, but not one Brand admits sex  
17 trafficking is a problem in their business or at their brand hotels.

18 83. Each Brand’s “solution” to the problem is always the same—to give lip service about  
19 more employee training, and to identify some red flags related to trafficking. But this employee  
20 training has never occurred in earnest or *en masse*. For instance, according to ECPAT’s reports,  
21 the actual number of employees trained by the Brands is abysmal.

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23 <sup>77</sup> See e.g., Ed Brock, *Red Roof Donates \$10,000 TO FIGHT HUMAN TRAFFICKING* (2022),  
24 <https://www.asianhospitality.com/red-roof-donates-10000-to-fight-human-trafficking/>.

25 <sup>78</sup> *Human Rights Policy*, CHOICE HOTELS, <https://www.choicehotels.com/about/responsibility/human-rights-policy> (last visited Jun. 6, 2022).

26 <sup>79</sup> *Id.*

27 <sup>80</sup> *Id.*

28 <sup>81</sup> *At brand conference, Red Roof execs signal growth*, HOTEL BUSINESS (2019),  
<https://hotelbusiness.com/at-brand-conference-red-roof-execs-signal-growth/>.

1 84. One recent study found of “the major hotel brands surveyed, only two of twelve  
2 companies (20%) mandate human trafficking awareness and response training in their policies for  
3 franchised properties. A critical opportunity to improve awareness among millions of front-line  
4 personnel is therefore being missed.”<sup>82</sup>

5 85. Moreover, although the training may provide some information in identifying trafficking,  
6 it provides no clear message on training that will serve to actively address or prevent human  
7 trafficking.

8 86. Upon information and belief, Red Roof and Choice held meetings among their  
9 executives, directors, and managers at which sex trafficking in their branded hotels was discussed.

10 87. Upon information and belief, reports on sex trafficking in the hospitality industry by the  
11 Polaris Project were received and reviewed by the executives, directors, and managers of Red Roof  
12 and Choice.

13 88. Upon information and belief, other publicly available information regarding sex  
14 trafficking in hotels was received and reviewed by Red Roof and Choice executives, directors, and  
15 managers.

16 89. Upon information and belief, Red Roof and Choice corporate employees exchanged  
17 emails related to the issue of sex trafficking in their brand hotels.

18 90. Upon information and belief, Red Roof and Choice were aware of national and  
19 international campaigns to combat sex trafficking within the hospitality industry.

20 91. In addition, Defendants are Hotel Industry Leaders within the global hospitality business.  
21 They magnify their influence and control through their memberships and activities in trade  
22 associations such as the American Hotel & Lodging Association (“AHLA”)<sup>83</sup> where both  
23

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24 <sup>82</sup> KRISTINE ADAMS & MICHELLE GUELBERT, ECPAT-USA, STAMPING OUT EXPLOITATION IN  
25 TRAVEL: BENCHMARKING THE TRAVEL INDUSTRY’S PROGRESS ON FIGHTING HUMAN TRAFFICKING  
AND THE COMMERCIAL SEXUAL EXPLOITATION OF CHILDREN 22 (2019).

26 <sup>83</sup> For more than 100 years, AHLA has been the foremost representative and advocate for the U.S.  
27 lodging industry and the only national association that represents all segments of an industry that is  
28 among the 10 largest business sectors in America. From major global brands to the small inns and  
bed & breakfasts, AHLA provides a singular voice that brings together the industry’s multitude of

1 Defendants are members.<sup>84</sup>

2 92. Upon information and belief, Red Roof and Choice participated in meetings through its  
3 trade organizations in which sex trafficking in their hotels was discussed.

4 93. Upon information and belief, Defendants have served on executive committees or as  
5 board members in AHLA<sup>85</sup> or other state and national associations since at least 2008.<sup>86</sup>

6 94. The AHLA serves as a forum for Hotel Industry Leaders, including Defendants, to  
7 discuss efforts related to human trafficking and serves as a voice from which Defendants can  
8 address the issue with the public.

9 95. To curry favor and a positive public image, Defendants use their memberships to  
10 advertise policies, practices, and procedures that indicate a unified commitment to fighting human  
11 trafficking.<sup>87</sup>

12 96. Through these trade associations, Defendants disseminated very specific talking points  
13 to provide to the government, law enforcement, the public, and the media. These talking points  
14 amounted to nothing but spin whereby Defendants tote themselves as heroes while implementing  
15 no genuine anti-trafficking efforts. Yet these were more than advertising campaigns. They were  
16 part of a concerted effort to divert the attention of anti-trafficking stakeholders and lawmakers  
17 away from Defendants and make assurances that the hotel industry, and Defendants specifically,  
18 were meaningfully addressing the industry-wide problem of human trafficking (without the true  
19

20 \_\_\_\_\_  
21 constituents. AHLA is diverse and represents everyone from brand CEOs to independent hotel  
22 owners, general managers, and hotel staff and is an integral contributor to the American economy.  
23 *See* American Hotel & Lodging Association, Who We Are, <https://www.ahla.com/who-we-are> (last  
24 visited Apr. 22, 2020).

25 <sup>84</sup> *See* American Hotel & Lodging Association, Our Members, <https://www.ahla.com/our-members>.

26 <sup>85</sup> *See* AHLA Announces 2020 Officers, Board, Executive Committee Amid Record Membership,  
27 AMERICAN HOTEL & LODGING ASSOC., <https://www.ahla.com/press-release/ahla-announces-2020-officers-board-executive-committee-amid-record-membership> (last visited Aug. 19, 2021).

28 <sup>86</sup> *See* AMERICAN HOTEL & LODGING ASSOC., Association Members, <https://www.ahla.com/psa> (last  
visited Aug. 19, 2021).

<sup>87</sup> *See, e.g.*, NICHOLS, ANDREA J., SEX TRAFFICKING IN THE UNITED STATES: THEORY, RESEARCH,  
POLICY, AND PRACTICE (Columbia Univ. Press 2016) (citing American Hotel and Lodging  
Association 2012 “Industry Principles to Combat Human Trafficking”).

1 intention to do so). By representing to the public and to legislators “the industry’s ongoing  
2 commitment and work to end human trafficking” Defendants acknowledged and assumed their  
3 responsibility to meaningfully address human trafficking at their branded properties.<sup>88</sup>

4 97. As industry leaders, Defendants each failed to articulate and enforce effective policies,  
5 processes, and procedures to measure and address the extent of the trafficking problem at their  
6 branded locations. Defendants instead perpetuated the lie that sex trafficking was not a problem at  
7 their brand hotels. Moreover, Defendants failed to articulate or enforce an effective policy,  
8 process, or procedure that could measure whether their purported “employee training” had the  
9 effect of reducing instances or expected instances of human trafficking at their branded hotels.

10 98. Unsurprisingly, Defendants collectively declined to implement anti-trafficking measures  
11 that would have the likely effect of reducing the billions of dollars in sex trafficking profits gained  
12 from renting hotel rooms to criminals for the purpose of criminal activity. As a whole, Defendants  
13 and their colleagues did not call for stricter room rental requirements. For example, Defendants  
14 did not require identification cards or names of every person staying in the room, did not limit the  
15 number of people allowed to stay in a single room, did not require a credit or debit card to be placed  
16 on file with a name on it (accepting prepaid credit cards and even cash for room rentals), and did  
17 not monitor reservation patterns maintained and owned by their own Brand central reservation  
18 systems (data which could only be analyzed by the Brands with their backend access). In short,  
19 Defendants refused to communicate to the criminal traffickers: “Your business and your money  
20 are not welcome here.”

21 99. Through taking this coordinated effort, Defendants were able to rest assured they would  
22 not have to implement effective anti-trafficking measures and no Brand would lose business either  
23 in profits or publicity. As trafficking is a \$150 billion dollar business occurring primarily within  
24 the hospitality industry, there could be no doubt the industry and Defendants generate billions of  
25 dollars every year from the criminal sex trafficking trade occurring within their brand hotels.

26 100. Defendants’ coordinated efforts with the Hotel Industry Leaders created an industry  
27

28 <sup>88</sup> See *No Room for Trafficking*, AMERICAN HOTEL & LODGING ASSOC.,  
<https://www.ahla.com/issues/human-trafficking> (last visited Aug. 19, 2021).

1 facade that steps were being taken to combat human trafficking while in practice implementing  
2 nothing meaningful or effective. Defendants guaranteed that they would not have to compete with  
3 a competitor brand that earnestly put together and enforced anti-trafficking measures at their brand  
4 hotels.

5 101. The risk to all Hotel Industry Leaders, including Defendants, in the venture is if any one  
6 of the Brands defects from the collective stance. A Brand is incentivized to implement an effective  
7 anti-trafficking program because, in the long term, it could gain a competitive advantage over the  
8 other Brands through inimitable goodwill in the eyes of the public and potential customers for  
9 being the first Brand to actually do so.<sup>89</sup> However, this competitive advantage is at the cost of  
10 implementing and maintaining the effective program and the loss of revenue currently generated  
11 by allowing sex trafficking to occur at their brand hotels, including through profits generated by  
12 room rentals. Moreover, this forgone revenue would likely go to the defecting Brand's *competitors*  
13 (the other Brand and Hotel Industry Leaders) who gained additional business from the traffickers  
14 the defecting Brand lost. Defecting from the collective stance to admit the Brand has a sex  
15 trafficking issue at its hotels could also tarnish the Brand's reputation, causing it to lose its status  
16 as an industry leader, and resulting in even greater lost profits. Thus, the optimal outcome for  
17 both Defendants, and all Hotel Industry Leaders, is to remain unified in their business ventures to  
18 never pay the costs of effective anti-trafficking measures and continue sharing the profits from the  
19 sex trafficking trade, whilst still maintaining their public images through thinly veiled PR stunts.

20 102. As part of their conspiracy save costs and continually reap millions of dollars in profits,  
21 Defendants failed to develop mandatory and comprehensive training to prevent human trafficking,  
22 failed to implement training to prevent human trafficking, and failed to conduct audits confirming  
23

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24 <sup>89</sup> While it would be challenging and expensive (both business expenses and lost revenues from  
25 traffickers or commercial sex) to implement effective policies, an effective policy would create a  
26 long-term competitive advantage for the individual Brand that first took action. A Brand business  
27 that implemented an effective policy could easily provide reportable data on how it reduced  
28 trafficking at its brand properties. Moreover, it could exploit the fact that other defendants are  
completely ignoring that a problem exists at their brand properties. The complying hotel could  
explain how other brand hotels will never be able to effectively battle the problem until they admit  
it exists on their properties. Thus, in the long run, an effective policy would generate public support  
and create brand loyalty, resulting in greater revenues and profits.

1 that training had been implemented and that human trafficking occurrences were being prevented  
2 on hotel properties. Defendants further failed to enact robust policies and practices to ensure  
3 continuous, directed action to combat human trafficking on their properties.

4 103. This remains true, despite the plethora of resources, recommendations, and trainings  
5 available to hotel industry professionals to combat human trafficking on their properties, which  
6 have been available for years.<sup>90</sup>

7 104. Defendants, and other Hotel Industry Leaders, fail to take the actions needed to combat  
8 the known scourge of human trafficking within their brand hotels. Defendants conspired together  
9 to perpetuate a false narrative absolving Defendants from responsibility of the human trafficking  
10 taking place with their permission and control. As such, Defendants, individually, and all Hotel  
11 Industry Leaders, collectively, advertised their condemnation of human trafficking, all the while  
12 jointly saving on costs associated with compliance with the TVPRA's non-delegable duty.

13 **C. THE BRANDS ARE PROPERLY NAMED DEFENDANTS ALIGNED WITH THE**  
14 **LEGISLATIVE INTENT IN ENACTING THE TVPRA CIVIL REMEDY**

15 105. Aside from their unique position in this growing epidemic, Defendants have the highest  
16 obligation and statutory duty to protect their guests from known dangers, including sex trafficking  
17 and sexual exploitation. Defendants must be held accountable when they fail to uphold this  
18 obligation. As aptly stated in a publication by the Cornell University School of Hospitality, "the  
19 hospitality industry is undoubtedly involved in the sex trafficking industry...and therefore has an  
20 inherent responsibility to deter the crime and can be liable for failing to do so."<sup>91</sup>

21 106. In 2000, Congress first enacted the Victims of Trafficking and Violence Protection Act  
22 ("TVPA") to combat sex trafficking, prevent violence against women and children, and offer  
23

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24 <sup>90</sup> Organizations like the Polaris Project, ECPAT-USA, the U.S. Department of Homeland  
25 Security's Blue Campaign, and others provide countless resources, including toolkits and trainings,  
26 for hospitality industry professionals. *See e.g., Hospitality Toolkit*, US DEP'T OF HOMELAND  
SECURITY BLUE CAMPAIGN (Jul. 20, 2016), [https://www.dhs.gov/sites/default/files/publications/  
blue-campaign/toolkits/hospitality-toolkit-eng.pdf](https://www.dhs.gov/sites/default/files/publications/blue-campaign/toolkits/hospitality-toolkit-eng.pdf).

27 <sup>91</sup> Giavanna L. C. Cavagnaro, *Sex trafficking: The Hospitality Industry's Role and Responsibility*,  
28 CORNELL UNIVERSITY, SCHOOL OF HOTEL ADMINISTRATION 1 (2017),  
<http://scholarship.sha.cornell.edu/honorstheses/3>.

1 justice for survivors of modern-day slavery.”<sup>92</sup>

2 107. In each reauthorization since its enactment, Congress has maintained a strong intent to  
3 provide adequate protection and recovery for victim survivors of trafficking against “the enormous  
4 profitability of this industry.”<sup>93</sup>

5 108. Specifically, in 2003, over the objection of the Department of Justice, Congress chose to  
6 add a civil remedy under section 1595 and broadly define the class of defendants who could be  
7 sued in this private right of action.

8 109. Then, when Congress passed the William Wilberforce Trafficking Victims Protection  
9 Reauthorization Act of 2008 (“TVPRA”) it again amended section 1595 to increase the capacity  
10 of survivors to recover against anyone who “knowingly benefits, financially or by receiving  
11 anything of value from participation in a venture which that person knew or should have known  
12 has engaged in an act in violation of this chapter.”<sup>94</sup>

13 110. Congress has thus consistently expanded the TVPRA in an effort to deter sex trafficking  
14 worldwide and provide a broad remedy for survivors.<sup>95</sup>

15 111. In addition to Congressional amendments, the U.S. government has explicitly focused  
16 extensive resources to combating trafficking within the hospitality industry and beyond.  
17 According to President Joe Biden’s National Action Plan to Combat Human Trafficking,  
18 “facilitators such as *hotel* owners who knowingly profit from sex trafficking” should be  
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20 <sup>92</sup> TVPA Pub. L. 106–386, October 28, 2000, 114 Stat. 1464 (2000) (codified as amended in Title  
21 22, Chapter 78, and Title 18, Chapter 77, of the U.S. Code); see also Markup of H.R. 2620 before  
22 House Int’l Affairs Comm., 108th Cong., 1st Sess., at 298 (July 23, 2003) (statement of Rep.  
Christopher Smith).

23 <sup>93</sup> *Trafficking In Persons: The Federal Government’s Approach to Eradicate This Worldwide*  
24 *Problem: Hearing on H.R. 2620 Before the Subcomm. On Human Rights and Wellness of the H.*  
*Comm. on Gov’t Reform*, 108th Cong. (2004) (statement of Rep. Dan Burton).

25 <sup>93</sup> 18 U.S.C. § 1595(a), Pub. L. No. 108-193, § 4(a)(4)(A), 117 Stat. 2878 (2003)

26 <sup>94</sup> William Wilberforce Trafficking Victims Protection Reauthorization Act of 2008, Pub. L. No.  
110-457, 122 Stat. 5044.

27 <sup>95</sup> *See Roe v. Howard*, 917 F.3d 229, 242 (4th Cir. 2019) (“Viewed as a whole, the TVPA represents  
28 a far-reaching congressional effort to combat transnational human trafficking on numerous fronts,  
including by expanding the civil claims and remedies available to its victims.”).



1 “investigated and prosecuted.”<sup>96</sup>

2 112. J.M. was harmed by at least three responsible parties during her trafficking: (1) the  
3 criminal traffickers, (2) the brand local hotels and staff, and (3) Defendants named in this action.  
4 All three of these parties are jointly and independently responsible for the atrocities J.M. endured,  
5 and all three allowed, facilitated, encouraged, and forced her sex trafficking. Yet only Defendants  
6 are inextricably linked to sex trafficking globally, have known for decades about their fault in the  
7 epidemic, and continue to harbor victims within their brand hotel rooms for their own benefit,  
8 despite obvious and available means to prevent it.

9 **D. THE SEX TRAFFICKING OF PLAINTIFF J.M.**

10 113. J.M. first met her traffickers in approximately 2006 when she was twenty-five years old.

11 114. By way of violence, threats, and induced dependence on illegal substances, J.M. was held  
12 captive and sold for sex by her traffickers from approximately 2006 through 2012.

13 115. During this time, J.M.’s traffickers frequently rented rooms at the Defendants’ brand  
14 hotel locations, including the Stockton Rodeway Inn® and Stockton Red Roof Inn®, because such  
15 rooms provided convenient, anonymous, and relatively central locations to which they could invite  
16 buyer “johns” without recourse.

17 116. J.M.’s traffickers advertised her sale on illicit websites known for commercial sex and  
18 human trafficking, including but not limited to Red Book and Escort Review, at Defendants’ brand  
19 hotels and over Defendants’ internet servers.

20 117. J.M. was sold and forced to perform sexual acts with many men each night until she met  
21 her traffickers’ quota.

22 118. Over the course of a grueling six years under the coercive control of her traffickers, J.M.  
23 was harbored at the Stockton Red Roof Inn® and Stockton Rodeway Inn® for weeks or months at  
24 a time on multiple different occasions.

25 119. J.M.’s traffickers administered physical violence and withheld food and water to ensure  
26

27 <sup>96</sup> *National Action Plan to Combat Human Trafficking*, THE WHITE HOUSE (Dec. 2021) 44,  
28 <https://www.whitehouse.gov/wp-content/uploads/2021/12/National-Action-Plan-to-Combat-Human-Trafficking.pdf>

1 she could not escape from Defendants' brand hotels, including at the Stockton Red Roof Inn® and  
2 Stockton Rodeway Inn®.

3 120. During her captivity, J.M. was subjected to rape, frequent physical and verbal abuse,  
4 malnourishment, psychological torment, kidnapping, and false imprisonment, including at the  
5 Stockton Red Roof Inn® and Stockton Rodeway Inn®.

6 121. Defendants and Defendants' brand hotel staff, permitted, facilitated, and profited from  
7 J.M.'s trafficking at the Stockton Red Roof Inn® and Stockton Rodeway Inn®.

8 122. J.M. encountered Defendants' brand staff at the Stockton Red Roof Inn® and Stockton  
9 Rodeway Inn® on numerous occasions and the same brand staff repeatedly ignored J.M.'s obvious  
10 suffering and cause for concern. Defendants' brand staff observed J.M.'s signs of deterioration  
11 from repeated assaults by her traffickers and buyers, including visible bruising and physical and  
12 verbal abuse occurring in public areas of Defendant's brand hotel properties.

13 123. Each buyer who arrived at Defendants' brand hotels to purchase sex from J.M.'s  
14 traffickers was a nonpaying hotel guest and would routinely leave within hours of arrival. The foot  
15 traffic in and out of the rooms rented by J.M.'s traffickers occurred constantly and conspicuously.

16 124. At the Stockton Rodeway Inn®, J.M.'s traffickers followed a repetitive and routine  
17 process which, alongside several other red flags, should or would have alerted Defendant Choice  
18 and Choice's brand hotel staff to J.M.'s trafficking at their brand hotel.

19 a. The Stockton Rodeway Inn® staff always witnessed J.M. being escorted by her  
20 traffickers throughout the hotel. J.M. was never alone. Her traffickers also  
21 controlled her identification documents, possessions, and money. Every time J.M.  
22 interacted with brand hotel staff at the Stockton Rodeway Inn®, it was readily  
23 apparent that J.M. was under the control of her traffickers.

24 b. On one occasion, a member of the cleaning staff heard three of J.M.'s traffickers  
25 violently attack J.M. in the hotel room before witnessing one man drag J.M. down  
26 the Stockton Rodeway Inn® hallway to a different room. In this second room, the  
27 trafficker continued his brutal assaults and could be heard from the open window.

28 c. Later, the same witnessed staff member came to the door and asked if the hotel room

1 needed to be cleaned. The staff member did not inquire about J.M.'s safety nor report  
2 the incident to security.

- 3 d. Rather, a hotel guest who also witnessed the assaults reported the scene to the  
4 Stockton Rodeway Inn® front desk staff. Nevertheless, the brand hotel staff allowed  
5 the traffickers to remain at the hotel, harboring J.M., and refusing to call the police.
- 6 e. The staff at the Rodeway Inn® routinely received guest complaints related to the loud  
7 disturbances coming from the rooms where J.M.'s traffickers kept her. In such  
8 circumstances, brand hotel staff would come to the room and request J.M.'s  
9 traffickers keep the noise level down. On rare occasions when the hotel staff asked  
10 them to leave, J.M.'s traffickers would convince the staff to allow them to stay.  
11 Despite J.M.'s appearance, staff never inquired about J.M.'s safety.
- 12 f. On several other occasions, J.M. was severely beaten by her traffickers in the public  
13 areas of the Stockton Rodeway Inn®, including the stairs and the parking lot which  
14 were in full view of the front desk and lobby. These altercations were loud and  
15 disruptive as the beatings, banging, crying, and screaming for help were audible  
16 throughout the brand hotel. Nevertheless, no brand staff member came to J.M.'s  
17 rescue, reported the assaults, or intervened to prevent future harm.
- 18 g. During another stay, J.M.'s trafficker could be clearly seen talking with the police in  
19 the hotel parking lot.

20 125. J.M.'s traffickers also followed a repetitive and routine process during stays at the Stockton  
21 Red Roof Inn® which, alongside several other red flags, should or would have alerted Defendant  
22 Red Roof and Red Roof's brand hotel staff to J.M.'s trafficking at their brand hotel.

- 23 a. The brand hotel staff routinely granted J.M.'s traffickers request to rent a select  
24 room in the back of the hotel so as to not disturb the "regular" hotel customers.
- 25 b. J.M. and her co-victims were regularly forced to solicit sex buyers on the Stockton  
26 Red Roof Inn® grounds, including in the hotel lobby and the parking lot.
- 27 c. On numerous occasions, the Red Roof Inn® security guards told the buyers to "hurry  
28 up" as they came in and out of the room where J.M. was held.

- 1 d. Although these security guards would often threaten to call the police, no one ever  
2 did. Nor did these hotel staff ever ask J.M. or her co-victims if they needed help.
- 3 e. J.M.'s traffickers routinely engaged in violent and loud altercations in the Stockton  
4 Red Roof Inn® hotel rooms where she was held. Such assaults resulted in yelling,  
5 beatings, banging, crying, and screaming for help throughout the brand hotel.
- 6 f. In one instance after observing J.M., her co-victims, and their traffickers at the  
7 Stockton Red Roof Inn®, the brand hotel staff boldly told J.M.'s traffickers to "be  
8 discreet" in their criminal activity.

9 126. J.M. and her co-victims were raped and otherwise sexually assaulted, abused, and  
10 harassed hundreds upon hundreds of times at Defendants' brand hotels, including the Stockton  
11 Rodeway Inn® and Stockton Red Roof Inn®.

12 127. She and her co-victims were visibly deteriorating.

13 128. An inordinate number of towels were requested and used alongside other obvious indicia  
14 of sex trafficking within the rooms, such as used condoms, lube bottles, lingerie, sex toys and  
15 related items.

16 129. J.M. and her co-victims were seen in and around the Defendants' brand hotels forced to  
17 wear inappropriate attire.

18 130. In addition to staff, security, and guest witnesses, security cameras at the Defendants'  
19 brand hotels undoubtedly filmed a great deal of this obvious foot traffic. Yet this surveillance was  
20 never utilized to deter, prevent, or protect J.M. or her co-victims from the flagrant sex trafficking  
21 occurring at the Stockton Rodeway Inn® and Stockton Red Roof Inn®.

22 131. Defendants knew or should have known of the sex trafficking of J.M. and her co-victims  
23 at their brand hotels, including the Stockton Rodeway Inn® and Stockton Red Roof Inn®, due to,  
24 but not limited to:

- 25 a. Special room requests, including rooms away from other hotel guests, late check  
26 out, and/or single bedrooms despite multiple occupants;
- 27 b. Payments for rooms in cash;
- 28 c. Paying for extended stays on a day-to-day basis;

- d. Traffickers' complete control over J.M., her identification, and her money;
- e. Multiple occupants living out of the hotel room for extended stays;
- f. Solicitation of buyers in and around the hotel, including the lobby and parking lot;
- g. J.M.'s physical appearance, including as malnourished, bruised, beaten, with cigarette burns and other visible signs of prior physical abuse, drugged, and wearing inappropriate attire for the weather;
- h. The continuous procession of male buyers entering and leaving the room;
- i. Excessive requests for towels, sheets, cleaning supplies, and/or room service;
- j. Great quantities of used condoms, empty lube bottles, lingerie, sex toys, bodily fluids on the sheets and towels, and other sex-related items in the hotel rooms;
- k. Obvious signs of illegal drug use;
- l. Loud altercations and violent assaults, including in the hotel's public spaces;
- m. Audible pleas to brand hotel staff and guests for help;
- n. Direct employee encounters and witnessed accounts of J.M.'s suffering and trafficking in and around the brand hotels' premises;

132. Despite these consistent red flag signs of trafficking which were readily noticeable—and noticed—by Defendants' brand hotel staff, J.M.'s traffickers were permitted to continue holding J.M. captive for the purpose of commercial sex at the Stockton Rodeway Inn® and Stockton Red Roof Inn®. J.M. received no assistance from any of Defendants' brand hotel staff during her captivity, and Defendants continued to rent rooms to her traffickers.

133. The trafficking activities at Defendants' brand hotels were obvious and observed by hotel staff and guests. Defendants failed to implement and enforce effective anti-trafficking measures to protect J.M. from this apparent criminal activity occurring under their roofs.

134. Prior to, during, and following the incidents described herein, Defendants had actual and/or constructive notice of drug dealing, prostitution, and/or general safety concerns at their brand hotels, including, but not limited to, at the Stockton Rodeway Inn® and Stockton Red Roof Inn®, through video surveillance and oral or written complaints regarding said suspicious activity. Defendants failed to take any actions to curtail these activities.

1 135. The impact of being beaten, threatened, exploited, raped, sex trafficked, and ignored at  
2 Defendants' hotel properties has forever emotionally and physically injured J.M. who, despite the  
3 years since her escape, suffers immensely as a result of the horrors inflicted upon her at Defendants'  
4 brand hotels, including the Stockton Red Roof Inn® and Stockton Rodeway Inn®.

5 136. Had Defendants been paying attention to these criminal activities and the apparent red  
6 flags in and around their brand hotels, it would have been impossible for them not to notice the  
7 victimization of J.M.

8 137. Had Defendants not hewed to a common policy of harboring known and suspected human  
9 traffickers in exchange for their benefit, J.M.'s traffickers could not have successfully arranged the  
10 commercial sex transactions reinforcing J.M.'s continued captivity.

11 138. Had Defendants not hewed to a common policy of actively ignoring red flag signs of  
12 ongoing human trafficking, the open and obvious signs of J.M.'s sex trafficking would or should  
13 have resulted in reporting J.M.'s trafficking to the Defendants, prevention of further room rentals  
14 to her traffickers, and a far earlier end to J.M.'s victimization at Defendants' brand hotels.

15 139. Similarly, if Defendants' anti-trafficking efforts in training, policies, and procedures at  
16 the brand hotels were enforced and/or effective, it would have been impossible for J.M. to be  
17 repeatedly harbored and victimized under Defendants' so-called watchful eye.

18 140. J.M.'s injuries are thus the direct and proximate result of the Defendants' maintenance of  
19 policies and procedures that they knew or should have known allowed and facilitated the trafficking  
20 of J.M. at the Stockton Red Roof Inn® and Stockton Rodeway Inn®, incentivized Defendants'  
21 employees to ignore the obvious signs of J.M.'s trafficking, and continued Defendants' profiting  
22 from the rental of rooms to known or suspected human traffickers for the explicit and apparent  
23 purpose of selling J.M. for commercial sex.

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**E. DEFENDANT BRANDS ARE DIRECTLY LIABLE FOR THEIR ROLE IN THE  
TRAFFICKING OF J.M. AT THEIR BRAND HOTELS J.M.**

141. Red Roof and Choice have been on notice of repeated incidences of sex trafficking occurring at their branded hotels since as early as 2006 yet fail, and persist in failing, to fulfill their statutory responsibility resulting in commercial sex trafficking occurring at their branded hotels.

142. Red Roof owns, supervises, and/or operates the Stockton Red Roof® where Plaintiff was trafficked.

143. Choice owns, supervises, and/or operates the Stockton Rodeway Inn® where Plaintiff was trafficked.

144. The Stockton Red Roof® and Stockton Rodeway Inn® may collectively be referred to as the “Brand Hotels.”

145. The Brands failed to train, implement and enforce any of their own anti-trafficking policy or policies to protect Plaintiff from being sex trafficked.

146. The Brands failed to monitor and audit their branded hotels for incidences of commercial sex trafficking.

147. The Brands could and should have exercised control over their branded hotels, including the Stockton Red Roof® and Stockton Rodeway Inn® by:

- a. distributing information to assist employees in identifying human trafficking;
- b. mandating a process for escalating human trafficking concerns within the organization;
- c. providing checklists, escalation protocols and information to property management staff;
- d. requiring employees to attend trainings related to human trafficking;
- e. mandating new hire orientation on human rights and corporate responsibility;
- f. mandating training and education to branded hotels through webinars, seminars, conferences, and online portals;
- g. developing and holding ongoing training sessions on human trafficking; and
- h. tracking performance indicators and key metrics on human trafficking prevention.

148. Despite having actual and/or constructive knowledge of the extensive commercial sex trafficking occurring at their branded hotels, including the Stockton Red Roof® and Stockton Rodeway Inn® where Plaintiff was trafficked, the Brands have repeatedly failed to stop or adequately address sex trafficking at their branded hotels.

149. Defendants are jointly and severally liable for Plaintiff's damages in this case.

150. Plaintiff's injuries are indivisible.

151. The TVPRA provides for joint and several liability.

**1. The Brands Knowingly Benefitted from Participation in Their Commercial Business Ventures with Their Branded Hotels.**

152. Red Roof and Choice knowingly benefitted from the sex trafficking of J.M. from participation in their commercial business ventures with their branded hotels, which the Brands retain significant day-to-day control over.

153. Through their business ventures with their branded hotels, Red Roof and Choice rented rooms to J.M.'s traffickers.

154. Red Roof and Choice all knowingly benefit from the sex trafficking of J.M., and other victims like her, and developed and maintained business models that attract and foster the commercial sex market for traffickers and buyers.

155. Red Roof and Choice knowingly benefit from their ongoing reputation for privacy, discretion, and the facilitation of commercial sex.

156. Red Roof and Choice knowingly benefit from receiving significant franchise fees and continuous royalties on their branded hotels' gross revenues.

157. Red Roof and Choice also knowingly benefit through strategic cost-saving measures, including refusing to mandate or monitor employee training on sex trafficking, declining to analyze or address data they received regarding criminal activity, safety, and other indicia of trafficking issues occurring at their branded hotels (while using the same data to enhance marketing and other profit-driven purposes), and choosing not to implement adequate security measures or employ qualified staff.

158. Red Roof and Choice enjoy the steady stream of income that the sex trafficking trade at



1 their branded hotels brings to their bottom line.

2 159. Red Roof and Choice also knowingly accept non-economic benefits from their business  
3 decisions, including maintaining an ongoing reputation for privacy, discretion, and inattentiveness  
4 which continues to attract traffickers and buyers, while also presenting to the public a false  
5 corporate social responsibility mission to combat sex trafficking.

6 **2. The Brands Participated in Commercial Business Ventures with Their Branded**  
7 **Hotels.**

8 160. Red Roof and Choice participated in commercial business ventures with their branded  
9 hotels. The Brands and their branded hotels were aligned in a common enterprise involving risk  
10 and potential profit. This was a continuous business relationship between the Brands and their  
11 branded hotels.

12 161. The Brands either directly owned, operated, and controlled the Brand Hotels as  
13 subsidiaries, or as franchises of the Brands.

14 162. The Brands either directly control the Brand Hotels as subsidiaries or retained significant  
15 control over the Brand Hotel franchises, including the power to mandate the implementation of a  
16 vast array of Brand standards.

17 163. The Brands lent their name and likeness to the franchised Brand Hotels and provided  
18 numerous supports and mandates in the Brand Hotels' daily operations, including marketing,  
19 reservation, vendor, and revenue requirements.<sup>97</sup>

20 164. For the privilege of carrying the Brand's name and reputation, and for receiving  
21 predetermined operating standards (rather than paying the cost to develop their own), the  
22 franchised Brand Hotels paid the Brand a percentage of their total revenue.

23 165. The Brand, on the other hand, exchanges the high risk that is inherent in owning an asset  
24 like a hotel for the low risk associated with owning a franchise contract, while still profiting from  
25 putting heads in beds at the franchised Brand Hotels.

26  
27 <sup>97</sup> See, e.g., *Aaron Hotel Group, LLC v. Holiday Hospitality Franchising, LLC*, No. 3:21-cv-00727  
28 (D. Conn. filed May 27, 2021) (alleging an "unlawful scheme" of excessive business practices through which IHG/HHF controls its franchisee branded hotels).

1       **3. The Brands' Business Venture Violated the TVPRA by Harboring Sex Trafficking**  
2       **Victims, Including J.M.**

3       166. Red Roof and Choice actively participated in business ventures which knowingly or  
4 negligently provided lodging to buyers purchasing illegal sex and harbored J.M. while she was  
5 being trafficked.

6       167. The Brands' business ventures rented rooms to J.M.'s traffickers.

7       168. The Brands' business ventures harbored J.M. in those rented rooms while she was forced  
8 to engage in commercial sex acts to numerous buyers and unregistered guests entering the branded  
9 hotels for this explicit and apparent purpose.

10      169. The Brands and the Brand Hotels, including their employees, knew or should have known  
11 J.M. was being trafficked for the purpose of commercial sex in the Brand Hotels and that they were  
12 benefitting from that criminality in violation of TVPRA § 1591(a).

13      170. The Brands had the opportunity to stop J.M.'s traffickers and other criminals like them  
14 from victimizing J.M. and others like her. Instead, each Brand implemented business ventures  
15 which failed to take reasonable measures to stop sex trafficking from occurring in their branded  
16 hotels.

17      171. The Brands failed to take any steps to alert the authorities, properly intervene in the  
18 situation, or take reasonable security measures to improve awareness of sex trafficking and/or  
19 prevent sexual exploitation at their branded hotels or help J.M.

20      172. These failures were deliberate choices made by the Brands to conduct business ventures  
21 that facilitated, rather than prevented, sex trafficking in their branded hotels.

22       **4. The Brands Had Actual or Constructive Knowledge of J.M.'s Victimization at Their**  
23       **Branded Hotels.**

24      173. The Brands knew or should have known that the business ventures they compel in their  
25 branded hotels necessarily permit and facilitate sex trafficking, and J.M. was harmed, by design,  
26 from those strategic business decisions.

27      174. The Brands knew or should have known of J.M.'s trafficking at the Brand Hotels because  
28 they have been on notice of the pervasive issue and centrality of their hotels as sex trafficking

1 havens for decades.

2 175. The Brands knew or should have known of J.M.'s trafficking at the Brand Hotels because  
3 they joined numerous national and international efforts to combat sex trafficking within the  
4 hospitality industry.

5 176. The Brands knew or should have known of J.M.'s trafficking at the Brand Hotels because  
6 they received and reviewed ample resources instructing best practices and training warning signs  
7 to use within their businesses.

8 177. The Brands knew or should have known of J.M.'s trafficking at the Brand Hotels because  
9 the Brands *claimed* to implement anti-trafficking measures based on the resources provided.

10 178. The Brands knew or should have known of J.M.'s trafficking at the Brand Hotels because  
11 of all the specific warning signs inherent in her trafficking at the Brand Hotels, including but not  
12 limited to: employee interactions, constant foot traffic, paying and displaying cash, criminal arrests  
13 on the Brand Hotel property, specific room requests, visible injuries and inappropriate attire,  
14 indicia of sex trafficking within the rooms, unusual housekeeping requests, and security monitoring  
15 of premise.

16 179. The Brands knew or should have known of J.M.'s trafficking at the Brand Hotels because  
17 they have centralized control over the hotel operating systems at the Brand Hotels, including  
18 reservations, internet, and reviews, where the Brands should have been alerted to the ongoing  
19 criminal activity.

20 180. The Brands knew or should have known of J.M.'s trafficking at the Brand Hotels because  
21 the Brands provide a platform for branded hotel employees to report suspicious activity occurring  
22 at their branded hotel, including suspected human trafficking. The Brands control and house this  
23 collective data from all branded properties.

24 181. The Brands' access included branded hotels' guest information registration, including  
25 names, date of booking, and length of stay. The Brands can thus see unusual or suspicious  
26 bookings, for instances, when clientele are disproportionately male for same-day bookings for one-  
27 night stays, when bookings rotate somewhat uniformly throughout its branded properties, when  
28 reservations for extended stays were requested, or when cash payments are made.

182. The Brands require their branded hotels to use a property management system, which are linked to Defendants' corporate network and data center, for, among other things, receiving reservations, and processing credit card transactions. The Brands tracked and controlled data regarding guest information, including physical location of guests via their internet enabled devices, guest internet activity via their Wi-Fi services, and inventory information at each branded location.

183. The Brands require branded locations to follow cybersecurity protocols monitoring suspicious online activity by guests, and the Brands require the branded locations to report this information to the Brands' corporate management.

184. The Brands have the capacity to monitor and control brand property hotel guests' access through hotel Wi-Fi to certain websites. The Brands see when branded property hotel guests are accessing sex buyer advertisements and websites through hotel Wi-Fi, including Plaintiff's advertisements on Backpage, because the branded locations share this information with the Brands' corporate management.

185. The Brands have access to individual hotel location do-not-rent ("DNR") lists that often list reasons for the refusal to rent, including the suspicion of human trafficking. Nevertheless, the Brands do not share such information with other hotel locations, thereby preventing other of their hotel locations from acting to protect the victims of such suspected human traffickers.

186. The Brands regularly conduct inspections of branded locations to ensure compliance with Defendant's corporate policies governing Guest Safety, Security, Human Rights, Ethics, and compliance with the law, with the ability to penalize the branded property for failure to comply. These inspections could and should have included more robust protections for identifying signs of human trafficking and protecting victims like J.M.

187. The Brands' brand standards are so strict as to entirely bar certain efforts to combat trafficking, for instance by prohibiting the prominent placement of informational signs within hotel rooms offering to help victims escape.

188. The Brands knew or should have known of J.M.'s trafficking at the Brand Hotels by training their Brand Hotel employees to identify and address the obvious signs of sex trafficking

1 when they occurred at the Brand Hotels.

2 189. The Brands control training policies at their branded locations, including the decision to  
3 mandate human trafficking training. The Brands failed to develop mandatory and comprehensive  
4 training to prevent human trafficking and failed to conduct audits confirming that training had been  
5 implemented.

6 190. The Brands knew or should have known of J.M.'s trafficking at the Brand Hotels by  
7 executing and enforcing policies, practices, and procedures at the Brand Hotels which effectively  
8 protected J.M. from being repeatedly trafficked at the Brand Hotels.

9 191. The Brands knew or should have known of J.M.'s trafficking at the Brand Hotels because  
10 the Brands required their branded properties to regularly monitor and report incidents regarding  
11 safety and security to the Brands, including but not limited to suspected human trafficking,  
12 disturbances, altercations and other instances of violence, staff and guest involvement in illegal  
13 activities, dismissal of guest from the property, and law enforcement calls and visits. The Brands  
14 regularly review these reports from their branded properties, including the Brand Hotels where  
15 J.M. was trafficked, as part of compliance with health and safety protocols.

16 192. The Brands knew or should have known of J.M.'s trafficking because they failed to  
17 implement and enforce effective anti-trafficking measures in their business ventures that would  
18 have protected J.M. and/or actively chose to follow business practices which they knew or should  
19 have known benefitted them from J.M.'s sex trafficking at the Brand Hotels.

20 193. On information and belief, these procedures were all in place at the Brand's properties,  
21 including the Brand Hotels, and additional information garnered from them was also under the  
22 Brands' management and control during J.M.'s trafficking period. This data included data on both  
23 J.M and her traffickers, including the details of J.M.'s check-in, the internet activity associated  
24 with her reservation, including advertisements posted during her stay, her location at the hotel, the  
25 spike in requests for towels and other items from inventory, and other specific data and information  
26 related to the signs of J.M.'s trafficking.

27 194. The Brands implemented processes to monitor various guest reviews and complaints,  
28 indicating prostitution, human trafficking, violence, and guest safety at its branded locations. The

1 Brands monitored these complaints and reviews from the locations where the Plaintiff J.M. was  
2 trafficked, and those hotels in the surrounding area.

3 195. The Brands also have access to public police reports, news reports and internal reports  
4 generated by customer and employees, regarding sex trafficking at their own hotel locations in  
5 particular. The Brands have access to public outcries on platforms such as Twitter that garner  
6 support for initiatives, such as petitions on Change.org.

7 196. A brief examination of just a handful of examples for each Defendant suffices to show  
8 the extraordinary frequency with which Defendants have long received and continue receiving  
9 evidence and reports that human trafficking runs rampant at their brand hotel locations:

10 **RED ROOF INN**

- 11 a. Regarding a June 2012 stay at the Red Roof Inn, a customer said: “WORST HOTEL  
12 I’VE EVER STAYED IN MY LIFE!!!! My family took a road trip from southern  
13 California to Yosemite. We usually take one big vacation a year. We booked our  
14 hotel in advance, we had 3 rooms. Because of our road trip we didn't arrive until 10  
15 pm that night when we arrived there were about 5 prostitutes outside with pimps.  
16 We were so frightened we drove around for 30 minutes trying to cancel our stay  
17 and because it was after 6 pm they wouldn't allow us to cancel. I'm positive the  
18 owner has some sort of deal with the drug dealers and pimps there is no way he  
19 doesn't know this is going on. They don't even try to hide it!. After delegating with  
20 our families (it was 15 of us in a 15 passenger van) we were so exhausted we  
21 decided to sleep a couple of hours and leave at dawn. I was so afraid we would get  
22 our van stolen I parked it in front of the office and took my 1 year old daughters car  
23 seat in the room with me. I was so upset by this time I went complain at the front  
24 desk and of course the receptionist said the manager was not there and there was  
25 nothing she could do with out his approval. That she would try to give us a 20.00  
26 discount, which of course we never saw. IF YOU VALUE YOUR LIFE STAY  
27 AWAY FROM THIS PLACE AT ALL COSTS!!!!!!!”

28 ///

1 b. Regarding a November 2012 stay at the Red Roof Inn, a customer said: "Horrible, was  
2 scared for our lives. My mother and I were moving from Washington to California and  
3 after all day driving we finally found a hotel online, the Red Roof Inn. When we got  
4 there it seemed okay right after we checked in two men came out and just kept  
5 watching us, and one starts following us. We decided to go to dinner but felt so  
6 uncomfortable we brought our electronics with. While we were gone we did more  
7 research and the day before someone had been murdered there. We came back and  
8 found two men around one of our vehicles and what looked like casing it. During  
9 the short time there we also saw drug dealing and prostitution in the parking lot. We  
10 went back to the room and looked around the sheets were dirty the bathroom was  
11 gross. So we decided we'd leave and because after 6pm we couldn't get a refund.  
12 We spent the night sleeping in our car at a rest stop where we felt safer than that  
13 hotel. Do not stay here! Worst mistake!"

#### 14 CHOICE

- 15 a. Regarding a 2014 stay at the Rodeway Inn by Choice at 339 S Wilson Way,  
16 Stockton, CA 95205, a customer said: "I went to this Rodeway Inn I would call it a  
17 HOTEL not Motel. I paid the manager my money to stay a whole week.. I went to  
18 check into my room and WILD LIFE CREATURES aka ROACHES were  
19 everywhere when I turned the lights on!! I walked right back down stairs and while  
20 I was walking to the manager's office I was asked by a female with a low cut skirt  
21 on if I would be interested in entertaining her room. I told her no that I'm just here to  
22 go get my money back.. she then walked over to her car with a aka GORILLA PIMP  
23 pointing at me.. I was very disturbed and didn't know what to do!! I went to the  
24 office and the manager was arguing with me about me getting back my money!  
25 DONT GO TO THIS HOTEL."
- 26 b. The Rodeway Inn by Choice at 339 S Wilson Way, Stockton, CA 95205, is  
27 permanently closed and other hotels/motels in the area were also shut down due to  
28 "A MOTEL KNOWN FOR PROSTITUTION ACTIVITY" only a minute away

1 from the Rodeway Inn.<sup>98</sup>

2 197. The Brands maintain regular communication with the Polaris National Human  
3 Trafficking Hotline, ECPAT, Department of Homeland Security, law enforcement, and other  
4 trafficking-focus entities, to monitor which branded properties are located in high-risk areas for  
5 human trafficking. The Brands regularly review this information to assess the risks of trafficking  
6 occurring within their operations.

7 198. Despite years of access to information about training and well-established best practices,  
8 the Brands promised to fight human trafficking, but failed to take any steps to reasonably prevent  
9 sexual exploitation on their properties, including:

- 10 a. Failing to mandate and minimizing costs of training employees and managers on how  
11 to spot the signs of human trafficking and sexual exploitation;
- 12 b. Lowering operating costs and management costs by failing to analyzing the data they  
13 received regarding criminal activity and customer reviews that indicated sex  
14 trafficking was occurring and taking the steps necessary to remedy the problems;
- 15 c. Collecting and utilizing massive amounts of data from all of their branded locations  
16 for marketing and other profit-driven purposes but failing to utilize this same data to  
17 combat sex trafficking in their hotels;
- 18 d. Failing to refuse room rentals, or report guests to law enforcement, in order to  
19 maximize the number of rooms occupied and the corresponding rates, even if the  
20 rooms rented were to sex traffickers or buyers;
- 21 e. Failing to monitor and track guest wireless network use for illicit commercial sex  
22 purposes or digital activity associated with human trafficking.
- 23 f. Failing to institute proper security measures, including, but not limited to, employing  
24 qualified security officers or appropriate cybersecurity measures to actively combat  
25 human trafficking and sexual exploitation;

26  
27 <sup>98</sup> *Wilson Way 'House of Prostitution' Shut*, THE RECORD (Apr. 5, 2018),  
28 <https://www.recordnet.com/story/news/crime/2018/04/05/wilson-way-house-prostitution-shut/985298007/>.



- g. Failing to provide or mandate checklists, escalation protocols and information to property management staff or tracking performance indicators and key metrics on human trafficking prevention;
- h. Failing to evaluate anti-trafficking measures for effectiveness and make changes where necessary; and
- i. Failing to use its power as a parent company hold the franchisees accountable for contributing to the prevalence of sex trafficking on their properties.

199. Upon information and belief, the Brands' corporate employees developed policies, including those mentioned above, related to human trafficking for their branded properties, including security protocols, safety guidelines, training, best practices. The Brands' corporate executives, directors, and managers held meetings, exchanged correspondence, and engaged in conversations through their trade organizations related to human trafficking procedures and policies at their branded properties.

200. As a direct and proximate result of the Brands' egregious business practices, J.M. and millions of other survivor victims of sex trafficking and exploitation like her, have been permanently injured and damaged physically, emotionally, psychologically, and financially.

**F. DEFENDANTS ARE VICARIOUSLY LIABLE FOR THEIR ROLE IN THE  
TRAFFICKING OF J.M. AT THEIR BRAND HOTELS**

201. In addition to, and apart from, each Brands' direct liability under the TVPRA, the Brands are vicariously liable for the actions and inactions of their branded hotels.

202. The branded hotels are agents of the Brands due to the systemic level of control the Brands' exercise over their branded hotels.

203. The Brands lend their name and likeness to third party owners, while the building and operations are run by a franchisee or a third-party management company under the Brands' control. In return, the Brands exchange the high risk that is inherent in owning an asset like a hotel for the low risk associated with owning a franchise contract which still profits from putting heads in beds.

204. The average consumer does not see this relationship. The Brands give the franchisee property the Brand's identity. The Brands provide signage within and in front of the hotel property

1 that assures customers that when they check into that branded hotel they can expect that Brand's  
2 standards. This notion is reinforced throughout the branded hotel as the Brand is emblazoned on  
3 everything from the pens on the bedside tables to the staff uniforms at the front desk.

4 205. In addition to Brand recognition and expectations, the Brand provides a marketing  
5 organization and hotel listings in the Global Distribution System (GDS) and other online travel  
6 agency databases. The Brand also provides the branded hotel with access to its Brand-wide central  
7 reservation system, 1-800 phone number, revenue management tools, world-class loyalty  
8 programs, and a website. Thus, booking and room reservations are controlled by each corporate  
9 parent Brand.<sup>99</sup> The Brands see booking and reservation trends, including for those branded hotels  
10 where Plaintiff was trafficked.<sup>100</sup>

11 206. The Brands also require their branded hotel properties to use a property management  
12 system, which is linked to the Brands' corporate network and data center, for, among other things,  
13 receiving reservations, and processing credit card transactions.

14 207. These third-party owned branded hotels typically pay around 10% of their total revenue  
15 back to the corporate parent Brand and is required to develop and maintain the hotel property in  
16 accordance with the Brand's standards as they are laid out in the franchise agreement.

17 208. Per the contract or franchise agreement, the Brand may enforce these standards through  
18 periodic inspections and even termination of the agreement if the branded hotel is found to be  
19 inadequate. However, kicking a delinquent branded hotel out of their system is at the expense of  
20 terminating the Brand's royalty payments, fees, and reputation.

21 209. The right of each Brand to enforce their brand standards is also their responsibility.

22 210. At the time of the incidents alleged herein: Defendant Red Roof owned, supervised,  
23 and/or operated the Stockton Red Roof ® and Defendant Choice owned, supervised, and/or  
24

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25 <sup>99</sup> Ellen Meyer, *The Origins and Growth of Franchising in the Hotel Industry*, LODGING MAGAZINE  
26 (Apr. 10, 2018), <https://lodgingmagazine.com/the-origins-and-growth-of-franchising-in-the-hotel-industry/>.

27 <sup>100</sup> Where a branded hotel allows cash to be accepted for payment, monitoring and auditing these  
28 trends are important to identifying locations where criminal activity and commercial sex trafficking  
may be occurring.

1 operated the Stockton Rodeway Inn®.

2 211. Red Roof and Choice have control and have exercised control over their branded hotels  
3 with respect to day-to-day issues in hotel operations, and also specifically, with regard to policies  
4 and procedures on human trafficking.

5 212. Moreover, the Brands exert dominion and control over the day-to-day operations at their  
6 branded hotels in a number of areas beyond that which is necessary to maintain Brand standards.  
7 For example, Choice branded hotels must provide a continental breakfast each day and Choice  
8 specifies the food and drink to be provided.<sup>101</sup>

### 9 **RED ROOF**

10 213. Upon information and belief, Red Roof controls the operations of its branded properties  
11 through a variety of means enforced through franchise agreements and related contracts, including  
12 but not limited to:

- 13 a. providing the software, hardware, and platforms where data and information is
- 14 shared with Red Roof corporate;
- 15 b. providing reservation platforms where payment modes and suspicious reservations
- 16 would suggest trafficking;
- 17 c. providing training and education to branded hotels through webinars, seminars,
- 18 conferences, and online portals;
- 19 d. providing and controlling customer review and response platforms;
- 20 e. hosting online bookings on Red Roof Inn's domain;
- 21 f. requiring branded hotels to use Defendant Red Roof's customer rewards program;
- 22 g. requiring branded hotels to use Defendant Red Roof's property management
- 23 software;
- 24 h. requiring branded hotels to use approved vendors for internet services or other
- 25 requirements for Wi-Fi access and filtering;
- 26 i. providing IT support for all property management systems, owned, operated, and

27  
28 <sup>101</sup> See *Choice Hotels International, Inc. v. Patel et. al.*, No. 06:12-cv-00023, ECF No. 1, Attachment  
#29 (S.D. Tex. November 18, 2011).

required by Red Roof;

j. setting employee wages;

k. sharing profits;

l. standardizing training methods for employees;

m. building and maintaining the facility in a manner specified by the owner;

n. standardized or strict rules of operation;

o. regular inspection of the facility and operation by owner; and

p. fixing prices.<sup>102</sup>

214. Red Roof uses a centralized reservation system, and states in its privacy policy that it collects information such as contact information, demographics, financial information, government-issued identification numbers, accommodation preferences, location, IP addresses, and social media content from hotel guests.<sup>103</sup>

215. Red Roof requires its hotels to use a consolidated IT system and database for property management, as well as problem-tracking to ensure all problems are resolved promptly and that emergencies are escalated.<sup>104</sup>

216. Red Roof requires its hotels to carry Wi-Fi internet access with certain cybersecurity measures in place, including those that gives Red Roof the ability to access and harvest that internet data.<sup>105</sup>

217. Red Roof posts job openings for its branded properties on its central career posing website.<sup>106</sup> Red Roof provides benefits to employees of its branded properties, and upon information and belief controls the terms and conditions of their employment.

<sup>102</sup> See 2021 Franchisee Disclosure Document, [https://franchimp.com/?page=pdf&f=105990\\_2021.pdf](https://franchimp.com/?page=pdf&f=105990_2021.pdf)

<sup>103</sup> See *Privacy Policy*, RED ROOF, <https://www.redroof.com/privacy-policy> (last visited Jun. 9, 2022).

<sup>104</sup> See *Technology*, RED ROOF, <https://www.redrooffranchising.com/technology> (last visited Jun. 9, 2022)

<sup>105</sup> See *Red Roof Inn Case Study*, SIGMAWIFI, <https://www.sigmawifi.com/red-roof-inn-nh-case-study/> (last visited Jun. 10, 2022).

<sup>106</sup> See *Paint the Town Red*, RED ROOF, <https://www.redroofjobs.com/> (last visited Jun. 10, 2022).

**CHOICE**

218. Upon information and belief, Choice controls the operations of its branded properties through a variety of means enforced through franchise agreements and related contracts, including but not limited to:

- a. Requiring the branded locations to use Choice's property management system.
- b. Gathering reports of data generated by branded locations including reservation, payment, and occupancy information through Choice's centralized systems;
- c. Requiring branded locations to keep audit reports and other records;
- d. Conducting regular inspections for compliance with franchise agreement terms and Choice's rules and regulations;
- e. Providing marketing requirements and standardized marketing services for the branded locations;
- f. Regulating the all the policies, procedures, and standards of the branded properties from the front desks to the bathrooms;
- g. requiring branded hotels to use approved vendors for internet services or other requirements for Wi-Fi access and filtering;
- h. Requiring branded locations to install Choice's data transport system to share data with Choice corporate;
- i. Providing training and orientation materials for branded property staff;
- j. Requiring branded locations to make modifications to the branded properties upon Choice's request and to refrain from make substantial changes to the branded property without Choice's permission;
- k. Regulating the rates for room rentals; and
- l. Insurance coverage requirements.

219. Choice mandates usage of a cloud-based centralized property management system called ChoiceADVANTAGE to its branded locations.<sup>107</sup>

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<sup>107</sup> *Connect the world through the power of hospitality, CHOICE, <https://www.choicehotels.com/about> (last visited Jun. 10, 2022).*

220. Choice controls all hotel reservations made across its branded locations on its centralized reservation system called Choice Edge.<sup>108</sup>

221. Choice gathers data from its customers including names, payment information, reservation history, browsing data, other details associated with their stay for promotional and guest safety reasons.<sup>109</sup>

222. Upon information and belief, Choice requires its hotels to carry Wi-Fi internet access with certain cybersecurity measures in place which gives Choice the ability to access, monitor, and harvest that internet data.

223. Upon information and belief, Choice requires branded properties to comply with its corporate policies relating to Security and Guest Safety, Human Rights, Ethics, Corporate Governance, and compliance with the law.

224. Defendants and their branded hotels exhibit a significant degree of interrelated, intermingled, and unified operations at the locations at which Plaintiff was trafficked as to show an agency relationship between Defendants and their branded locations.

225. Under federal labor regulations, Defendants are each considered joint employers of the employees at their locations at which Plaintiff was trafficked. It is further a standard practice in the hospitality industry, upon information and belief, followed by both Defendants, for parent companies to exercise significant control over the employment decisions of their brand hotels. Upon information and belief, Defendants promulgate policies, procedures, and standards governing the hiring, training, retention, and advancement of on-the-ground employees and setting their rates of pay, which together exert significant control over all employment decisions made at the individual hotel locations at which Plaintiff was trafficked.

226. Defendants are aware that human trafficking occurs at their branded hotels and know how their branded hotels deal with it.

227. Yet Defendants failed to develop effective policies and/or failed to implement and

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<sup>108</sup> *Id.*

<sup>109</sup> *Choice Hotels International, Inc. Privacy & Security Policy*, CHOICE HOTELS, <https://www.choicehotels.com/legal/privacy-policy>.

enforce their own policies and procedures to protect Plaintiff and others from being sex trafficked within their walls.

228. Despite having actual and/or constructive knowledge of the extensive prostitution and sex trafficking that occurs at their branded hotels, including the trafficking of J.M. at the Brand Hotels, Defendants have repeatedly failed to prevent or adequately address commercial sex trafficking at their hotels.

229. Defendants exercise actual control over their branded hotels through mandatory Brand standards reflected in their contractual agreements for each hotel operation. The Brands exercise, or could exercise, their control over their branded hotels by:

- a. distributing information to assist employees in identifying human trafficking;
- b. mandating a process for escalating human trafficking concerns within the organization;
- c. providing checklists, escalation protocols and information to property management staff;
- d. requiring employees to attend trainings related to human trafficking;
- e. mandating new hire orientation on human rights and corporate responsibility;
- f. mandating training and education to branded hotels through webinars, seminars, conferences, and online portals;
- g. developing and holding ongoing training sessions on human trafficking; or
- h. tracking performance indicators and key metrics on human trafficking prevention.

230. The Brand Hotels where J.M. was trafficked were and are the actual and apparent agents of the Brands and together, they offer, or offered, public lodging services in the branded hotels.

231. The Stockton Red Roof® is an agent of Red Roof.

232. The Stockton Rodeway Inn® is an agent of Choice.

233. This agency relationship was created through each Brands' exercise of an ongoing and systemic right of control over the operations at the Brand Hotels, beyond that which is necessary to maintain Brand standards, including the means and methods of how the branded hotels conducted daily business through one or more of the following actions:

- a. Hosting online books on the Brand's domain;
- b. requiring branded hotels to use the Brand's customer rewards program;
- c. setting employee wages at the branded hotel;
- d. making employment decisions at the branded hotel;
- e. advertising for employment at the branded hotel;
- f. sharing profits with the branded hotel;
- g. providing standardized training methods for employees at the branded hotel;
- h. building and maintaining the structure of the branded hotel;
- i. mandating standardized or strict rules of operation;
- j. authorizing Brand inspection of the branded hotel and operation by the owner;
- k. fixing prices at the branded hotel;
- l. developing uniform and consistent policies regarding the prevention of commercial sex trafficking at the branded hotel, including a risk management process to identify, prevent, and mitigate risks for commercial sex trafficking<sup>105</sup>; and/or
- m. other actions that deprived the branded hotel of independence in the business operations at the hotel.

234. An apparent agency relationship also existed and exists between the Brands and their branded hotels, including the Stockton Red Roof® and the Stockton Rodeway Inn® because the Brands hold their branded hotels out to the public as possessing authority to act on their behalf and by their Brand standards.

235. In particular, the Brands are vicariously liable for the conduct of their branded hotel agents because traffickers, including J.M.'s traffickers, relied on each Brand's ineffective and/or unenforced anti-trafficking measures when selecting to trafficking victims at the branded hotels.

236. The branded hotel employees observed obvious signs of sex trafficking and/or were aware of J.M.'s, and others, plight, yet failed to identify, protect, or prevent her from further victimization on their properties. Each Brand's policies and procedures were either inadequate to prevent her trafficking or were not properly implemented due to lack of training, education and or enforcement by the Brands.



237. If the branded employees were aware of J.M.'s trafficking, pursuant to each Brand's corporate-wide policies, the employees would have reported such activity directly to the Brand, including but not limited to, illegal website use, booking and reservation history, payment by cash for several rooms at a time and visits from multiple buyers throughout the day.

238. The Brands were not only aware of J.M.'s trafficking, but also the failures of their own training, policies, and procedures to protect her and prevent trafficking at their branded hotels.

239. Given the Brands' public statements on behalf of their branded hotels and the control they assumed in educating, implementing, and directing their hotels, including the Brand Hotels, the Brands breached their duties in at least the following ways:

- a. failing (altogether or adequately) to distribute information to assist employees in identifying human trafficking;
- b. failing (altogether or adequately) mandate a process for escalating human trafficking concerns within the organization;
- c. failing (altogether or adequately) to provide checklists, escalation protocols and information to property management staff;
- d. failing (altogether or adequately) to require employees to attend trainings related to human trafficking;
- e. failing (altogether or adequately) to mandate new hire orientation on human rights and corporate responsibility;
- f. failing (altogether or adequately) to mandate training and education to branded hotels through webinars, seminars, conferences, and online portals;
- g. failing (altogether or adequately) to develop and hold ongoing training sessions on human trafficking; or
- h. failing (altogether or adequately) to track performance indicators and key metrics on human trafficking prevention.

240. Despite the Brands' ability to kick delinquent branded hotels out of their system, this action is seldom taken as it would come at the cost of their own profits. Nevertheless, this consequence is available to the Brand and illustrates the Brand's actual control over—and liability for—the branded

1 hotels' conduct when confronted with known, and readily knowable, signs of sex trafficking at their  
2 hotels.

3 241. The Brands accepted the profits from J.M.'s trafficking at their branded hotels even though  
4 such receipt may have been in violation of their own anti-trafficking policies and procedures.

5 242. The Brands knew or should have known that such profits were derived from the criminal  
6 sex trafficking of J.M. at their branded hotels, including the Stockton Red Roof® and Stockton  
7 Rodeway Inn®.

8 243. Had the Brands earnestly enacted and ensured anti-trafficking measures at their branded  
9 hotels—as they were capable and culpable for so doing—J.M.'s continued trafficking would not  
10 have been possible.

11 244. Their rooms would not have been rented for her victimization; nor would they have  
12 profited off her pain.

13 245. Rather, each Brand's acceptance of these profits and protected public image was  
14 affirmation of their intended business venture with their branded hotels.

15 **G. DEFENDANTS' UNIFIED COMMITMENT TO HARBORING TRAFFICKERS**

16 246. Defendants and the other Hotel Industry Leaders have long engaged in a coordinated  
17 campaign to divert negative attention and preserve the profits the hospitality industry derives from  
18 its regular provision of accommodation to human traffickers, thereby ensuring that each industry  
19 participant remains complacent and rents rooms to human traffickers with roughly the same  
20 frequency as its peers.

21 247. Defendants have arrived at an understanding, whether explicit or tacit, that it is in the  
22 financial interest of the industry as a whole for all of its members to refrain from taking concrete,  
23 meaningful steps to identify human trafficking at their locations, and prevent the rental of rooms for  
24 the purpose of human trafficking. This is because:

- 25 a. Defendants understand human trafficking is a significant revenue source for the  
26 industry as a whole, and a substantial decrease in the patronage of hotels by human  
27 traffickers would harm room rentals and revenue in the lodging industry;  
28 b. Defendants also understand that if any individual Defendant or other major chain

were to take concrete, meaningful steps to combat human trafficking, that entity would bear significant costs in lost revenue, combined with initial training and compliance costs, but would thereafter experience a significant competitive advantage and valuation for its brand and properties by investors, resulting from its increased reputation and decreased financial risk of liability;

c. Defendants understand that any such competitive advantage would be temporary because other industry participants would be compelled, in order to stay competitive and viable, to follow suit in taking such concrete, meaningful steps; and

d. Defendants understand that this would have the effect of closing human traffickers out of the hotel industry and significantly decreasing the prevalence of human trafficking generally, thereby decreasing the profits of all industry participants.

248. Upon information and belief, Defendants are aware of public and private investors' criteria for valuing a company, including risks and liabilities for litigation and compliance with the TVPRA.

249. On information and belief, both Defendants are members of the American Hotel and Lodging Association ("AHLA"), which "is the largest national association solely representing all segments of the 8 million jobs the U.S. lodging industry supports, including hotel owners, REITs, chains, franchisees, management companies, independent properties, bed and breakfasts, state hotel associations, and industry suppliers... [and] proudly represents a dynamic hotel industry of more than 54,000 properties that supports \$1.1 trillion in U.S. sales and generates nearly \$170 billion in taxes to local, state and federal governments."

250. Defendants are far from shy about the fact that the hotel industry acts in concert, through the auspices of the AHLA, with respect to its response to human trafficking. Indeed, they have recently taken to trumpeting this fact from the rooftops.

251. For example, In September 2018, the AHLA issued a press release touting the recent public commitments of the CEOs of several major industry players, as well as, on information and belief, of senior representation of Defendants, to take certain limited steps to combat human trafficking as "an unprecedented show of unity within a fiercely competitive industry."

252. In June 2019, the AHLA issued a press release announcing its new "No Room for

1 Trafficking” initiative entitled “Hotel Industry Unites on New Campaign to Fight Human  
2 Trafficking.”

3 253. In July 2019, the AHLA began running a commercial entitled “Unity,” in which the  
4 narrator states, “We’re taking a unified industry approach to save lives.”

5 254. The AHLA webpage for that initiative currently advises industry participants that  
6 “Another way that your hotel can raise awareness with guests is through social media posts that  
7 highlight our industry’s unified commitment to preventing human trafficking in hotels.”

8 255. Defendants and the other Hotel Industry Leaders, acting through the AHLA, have thus  
9 voiced a unified determination to ensure that all employees are trained to recognize human  
10 trafficking and have access to the National Human Trafficking Hotline’s telephone number.

11 256. However, the behavior of Defendants demonstrates that this “unified commitment” to a  
12 sharply limited training regimen represents an agreed-upon false standard for their individual efforts  
13 to combat human trafficking, rather than implementing meaningful change.

14 257. The actual number of employees trained under the “No Room for Trafficking” campaign  
15 and all prior industry initiatives relating to human trafficking is paltry. On information and belief,  
16 less than half of current front desk employees at each Defendants’ respective brand hotel locations  
17 have been trained to recognize human trafficking.

18 258. This is despite AHLA’s then-Vice-President for Government Affairs stating in 2017  
19 stating that while “[t]he cost of training varies . . . it’s definitely not burdensome.”

20 259. Moreover, on reference and belief, nowhere in any of the trafficking materials promulgated  
21 through the auspices of the AHLA is any suggestion that Defendants will or should take key actions  
22 that would doubtlessly reduce human trafficking, such as: (1) mandating—as opposed to allowing  
23 for—their employees report suspected traffickers; or (2) forbidding their employees to rent rooms  
24 to known or suspected human traffickers.

25 260. On information and belief, neither Defendants, nor any other Hotel Industry Leader,  
26 requires training regarding human trafficking for all employees likely to encounter human  
27 trafficking, nor did any do so during the time Plaintiff was trafficked.

28 261. On information and belief, no Defendant has or had issued a policy requiring employees

1 to report suspected instances of human trafficking when Plaintiff was trafficked.

2 262. On information and belief, no Defendant has or had issued a policy forbidding employee  
3 from renting rooms to known or suspected human traffickers when Plaintiff was trafficked.

4 263. On information and belief, no Defendant has taken any other significant action to combat  
5 human trafficking that was not directly called for by the industry as a whole through the auspices of  
6 the AHLA.

7 264. In sum, the behavior of Defendants demonstrates façade programs and steps taken with at  
8 least a tacit “unified commitment” to limit government regulations and retain customer loyalty to  
9 brand hotels, while refraining from meaningful steps to end trafficking. Instead, standing behind the  
10 veil created by Defendants and the other Hotel Industry Leaders, Defendants chose to forgo  
11 mandatory policies that might have been more costly but would have had a meaningful effect on  
12 anti-human trafficking efforts at their brand hotels.

13 265. On June 29, 2019, Defendants attended AHLA’s strategic roundtable “bringing together  
14 industry leaders, government partners . . . to underscore the industry’s efforts around human  
15 trafficking.” On information and belief, senior leadership of each Defendant, who are on AHLA’s  
16 board of directors, participated in this roundtable under the heading of “industry leaders.”

17 266. On information and belief, at or in the lead up to this roundtable, senior leadership for both  
18 Defendants discussed potential responses to human trafficking and specifically the possibility of  
19 going beyond recommending employee training for recognizing the signs of trafficking.

20 267. On information and belief, during these discussions, senior leadership for both Defendants  
21 collectively rejected that possibility, thereby demonstrating their unwillingness to implement and  
22 enforce effective anti-trafficking measures, and reinforcing their preexisting common understanding  
23 that recommending, let alone taking, further steps would be detrimental to the industry as a whole.

24 268. On April 22, 2015, AHLA issued an earlier set of guidelines on human trafficking  
25 substantially like its “No Room for Trafficking” campaign.

26 269. On information and belief, Defendants’ senior leadership participated in discussions  
27 resembling those described above in participants, topics, and outcome that occurred in the lead-up  
28 to such issuance.

1 270. The understanding among Defendants and the Hotel Industry Leaders would likely have  
2 collapsed in the event of the non-participation of a major industry player on the scale of any of the  
3 Defendants.

4 271. In addition to acting together on a national level through the AHLA, the hotel industry,  
5 including Defendants, has acted together through its state organizations, in support of the same  
6 goals, namely touting a focus on certain limited training while preventing discussion of any  
7 mandatory action that might actually respond to, identify, and ultimately prevent human trafficking

8 **CAUSES OF ACTION**

9 **COUNT I: 18 U.S.C. § 1595 (“TVPRA”)**

10 **(against both Defendants)**

11 272. Plaintiff incorporates each foregoing allegation.

12 273. Plaintiff is a victim of sex trafficking within the meaning of 18 U.S.C. § 1591(a) and is  
13 entitled to bring a civil action under 18 U.S.C. §1595.

14 274. Defendants’ acts, omissions, and commissions, taken separately and/or together, outlined  
15 above, constitute a violation of 18 U.S.C. § 1595. Specifically, Defendants had a statutory  
16 obligation not to benefit financially or receive anything of value from a venture that they knew, or  
17 should have known, engaged in violating the TVPRA. At all relevant times, Defendants breached  
18 this duty by facilitating human trafficking through their participation in the harboring of Plaintiff  
19 and her traffickers for the purposes of commercial sex induced by force, fraud, or coercion.

20 275. Defendants have benefited as a result of these acts, omissions, and/or commissions by  
21 keeping operating costs low, maintaining the loyal customer base that fuels the supply and demand  
22 of sex trafficking, and limiting mandatory regulations. Moreover, on each occasion they received  
23 payment for rooms or received payments or kickbacks for internet usage, Defendants directly  
24 benefitted from the sex trafficking of Plaintiff. The actions, omissions, and/or commissions alleged  
25 in this pleading were the “but for” and proximate cause of Plaintiff’s injuries and damages.

26 276. Plaintiff has suffered substantial physical and psychological injuries as the result of being  
27 trafficked and sexually exploited at Defendants’ hotels and properties.

28 ///

**(against both Defendants)**

278. At all relevant times, Defendants knowingly agreed, contrived, confederated, acted in concert, aided and abetted, and/or conspired to continue their longstanding practice of renting rooms to known and suspected human traffickers, long after the enactment of § 1595 rendered it illegal for them to profit from the same.

280. First, Defendants promoted themselves and their industry as dedicated opponents of human trafficking.

282. Defendants control nearly every aspect of operations, including employee management, at their branded hotel locations through a web of franchise agreements and brand quality standards.

284. The staff at individual locations, including the locations at which Plaintiff was trafficked, took affirmative action, as agents of the brand manager Defendants, to provide lodging to individuals who the staff and the brand manager Defendants knew or should have known were engaged in human trafficking.

FIRST AMENDED COMPLAINT

1 protocols created, and subsequently maintained with few changes, by Defendants in the full  
2 knowledge that—and, upon information and belief, with the intent that—such policies, procedures,  
3 and training protocols would ensure that human traffickers continued to do business at Defendants’  
4 branded hotel locations thus generating profit for Defendants.

5 286. Moreover, upon information and belief, despite the overwhelming data possessed by, and  
6 available to, Defendants, Defendants individually, jointly and in conspiracy with each other  
7 willfully and maliciously used their influence, through the AHLA, over local, state and federal  
8 agencies to restrict the disclosure of and otherwise to mask material facts about the prevalence of  
9 human trafficking and the hotel industry’s failure to act regarding the same.

10 287. As co-conspirators, Defendants are jointly and severally liable for Plaintiff’s trafficking at  
11 every property. Defendants’ conspiracy to maintain practices, policies and procedures that allowed  
12 Defendants’ to financially benefit from unlawful commercial sex ventures and human trafficking.

13 288. Defendants’ conspiracy kept Defendants, who knew or should have known about human  
14 trafficking at their California properties from taking meaningful action, resulting in significant  
15 injuries to Plaintiff and additional victims.

16 289. Defendants’ conspiracy is a continuing conspiracy, and the overt acts performed in  
17 furtherance of the conspiracy’s objective(s) are ongoing.

### 18 **PRAYER FOR RELIEF**

19 WHEREFORE, Plaintiff respectfully requests judgment as follows:

- 20 a. Awarding Plaintiff all available compensatory damages for each cause of action,  
21 including but not limited to past and future medical expenses; past and future lost wages  
22 and loss of earning capacity; past and future emotional distress; consequential and/or  
23 special damages; all available noneconomic damages, including but not limited to pain,  
24 suffering, and loss of enjoyment of life;
- 25 b. Disgorgement of profits obtained through unjust enrichment;
- 26 c. Restitution;
- 27 d. Statutory and/or treble damages, where available;
- 28 e. Punitive damages;



- f. Attorneys' fees and expenses;
- g. The costs of this action;
- h. Pre- and post-judgment interest; and
- i. Any other relief the Court or jury deems appropriate

**JURY DEMAND**

Plaintiff hereby demands a trial by struck jury.

Dated: June 10, 2022

**LEVIN SIMES ABRAMS LLP**

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